

RegWatch newsletter – April 2024

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This month's News

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CRR/CRD

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16/04/2024 The BCBS publishes a discussion paper on how climate scenario analysis can be practically used to help strengthen the management and supervision of climate-related financial risks. The Committee welcomes feedback on the paper until 15 July 2024.

See [the related BCBS press release](#).

24/04/2024 The NBB publishes the Commission Delegated Regulation (EU) 2024/857 of 1 December 2023 supplementing the CRD with regard to RTS specifying a standardised methodology and a simplified standardised methodology to evaluate the risks arising from potential changes in interest rates that affect both the EVE and the NII of an institution's non-trading book activities.

See [the related NBB press release](#).

24/04/2024 The EBA consults on its draft RTS on the method for identifying the main risk driver and determining whether a transaction represents a long or a short position. The consultation runs until 24 July 2024.

See [the related EBA press release](#).

30/04/2024 The BCBS consults on guidelines for counterparty credit risk management. The proposed guidelines include key practices critical to resolving long-standing industry weaknesses in counterparty credit risk management. The consultation runs until 28 August 2024.

See [the related BCBS press release](#).

Solvency II

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03/04/2024 The EIOPA consults on reassessing natural catastrophe risks in the standard formula. EIOPA's review of the parameters aims to better capture the risks stemming from perils such as earthquake, flood, hail and windstorm. The consultation runs until 20 June 2024.

See [the related EIOPA press release](#).

IFR

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11/04/2024 The EBA publishes its final Guidelines on the application of the group capital test for investment firm groups. These Guidelines set harmonised criteria to address the observed diversity in the application of the group capital test across the EU and help ensure a level playing field.

See [the related EBA press release](#).

ELTIF

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22/04/2024 The ESMA responds to the EC request on amendments to the ELTIF RTS. ESMA suggests that there should be a limited number of changes to find the right balance between protecting retail investors and contributing to the capital market union objectives.

See [the related ESMA press release](#).

Climate Risk

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02/04/2024 The ESMA consults on possible amendments to the Credit Rating Agencies Regulatory Framework. The objective of the proposals is to ensure a better incorporation of ESG factors in the credit rating methodologies and subsequent disclosure to the public, as well as to enhance transparency and credibility in the credit rating process.

See [the related ESMA press release](#).

17/04/2024 The NGFS publishes a package of reports relating to Transition Plans. These works explore the role of transition plans in enabling the financial system to mobilise capital, manage climate-related financial risks, and the relevance of transition plans to micro-prudential supervision.

See [the related NGFS press release](#).

30/04/2024 The ISSB publishes the IFRS Sustainability Disclosure Taxonomy (ISSB Taxonomy). The Taxonomy reflects IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, IFRS S2 Climate-related Disclosures and their accompanying guidance.

See [the related IFRS press release](#).

IFRS Accounting

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09/04/2024 The IASB issues its new Standard, IFRS 18 Presentation and Disclosure in Financial Statements. This Standard that affects all companies using IFRS Accounting Standards aims to improve the usefulness of information presented and disclosed in financial statements and to give investors more transparent and comparable information about companies' financial performance. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027.

See [the related IFRS press release](#).

Others

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03/04/2024 The NBB publishes the Royal Decree of February 29, 2024 implementing the law of November 23, 2023 relating to the Guarantee Fund for financial services.

See [the related Royal Decree](#).

09/04/2024 The EBA publishes its final Guidelines on the resubmission of historical data under the EBA reporting framework.

See [the related EBA press release](#).

16/04/2024 The EBA, the EIOPA and the ECB set up a DPM alliance, establishing a common governance framework for the collaboration on the DPM 2.0 Standard. Together with the establishment of a JBRC between the EBA and ECB, this alliance is another step in the process of building an integrated reporting system.

See [the related EBA press release](#).

18/04/2024 The ESAs consult on the draft RTS on the conduct of oversight activities in relation to the joint examination teams under the DORA. The consultation runs until 18 May 2024.

See [the related EBA press release](#).

List of acronyms used in this issue

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BCBS	Basel Committee on Banking Supervision
CRD	Directive 2013/36/EU (Capital Requirements Directive)
CRR	Regulation 2013/575/EU (Capital Requirements Regulation), amended by Regulation 2019/876/EU (CRR 2)
DORA	Digital Operational Resilience Act
DPM	Data Point Model
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
EIOPA	European Insurance and Occupational Pensions Authority
ELTIF	European Long-Term Investment Funds (cf. Regulation (EU) 2015/760)
ESA	European Supervisory Authorities
ESG	Environmental, social and governance
ESMA	European Securities and Markets Authority
EU	European Union
EVE	Economic Value of Equity
IASB	International Accounting Standards Board
IFR	Investment Firms Regulation (see IFD)
IFRS	International Financial Reporting Standard
ISSB	International Sustainability Standards Board
JBRC	Joint Bank Reporting Committee
NBB	National Bank of Belgium
NGFS	Network for Greening the Financial System
NII	Net Interest Income
RTS	Regulatory Technical Standards

About Reacfin

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In its early days, we focused on actuarial consultancy services for Belgian Pension Funds, Insurance Companies and Mutual organizations. Rapidly, in the following years, we expanded our business internationally and broadened our scope of services to Risk Management, Quantitative Finance, Portfolio Management and Data Analytics for Financial Institutions in the broader sense (i.e. Insurers, Banks, Asset Managers, Pension Funds, Financial Market Infrastructures and Regulators). Today, Reacfin is extending its range of services to include process automation, the introduction of AI and, more generally, the optimal use of corporate and external data.

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