

## RegWatch newsletter – May 2024

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### This month's News

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#### CRR

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**13/05/2024** The EBA consults on draft RTS under the CRR3 regarding the equivalent mechanism for unfinished property under the standardised approach of credit risk. The consultation runs until 7 August 2024.

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

**17/05/2024** The EBA consults on draft Guidelines under the CRR3 regarding acquisition, development and construction exposures to residential property. The consultation runs until 19 August 2024.

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

#### MiCAR

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**07/05/2024** The EBA publishes three sets of final draft RTS and one set of final draft ITS relating to the authorisation as issuer of ARTs, to the information for the assessment of acquisition of qualifying holdings in issuers of ARTs and to the procedure for the approval of white papers for ARTs issued by credit institutions under the MiCAR.

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

**31/05/2024** The ESMA publishes the Final Report on the rules on conflicts of interests of CASP under the MiCAR, with a view to clarifying elements in relation to vertical integration of CASPs and to further align with the draft EBA rules applicable to issuers of ARTs.

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

#### MiFIR/MiFID

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**21/05/2024** The ESMA consults on non-equity trade transparency, reasonable commercial basis and reference data under the MiFIR review. ESMA's proposals aim at enhancing the information available to stakeholders by improving, simplifying and further harmonising transparency in capital markets. The consultation runs until 28 August 2024.

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

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**23/05/2024** The ESMA consults on draft technical standards related to CTPs, other DRSPs and the assessment criteria for the CTP selection procedure under the MiFIR. The consultation runs until 28 August 2024.

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

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**23/05/2024** The ESMA consults on proposed changes to the rules for position management controls and position reporting. The changes come in the context of the review of the MiFID II and aim to minimise the burden on reporting entities. The consultation runs until 21 August 2024.

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

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## IFRS Accounting

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**08/05/2024** The IASB publishes an Exposure Draft proposing narrow-scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to ensure that financial statements more faithfully reflect the effects that renewable electricity contracts have on a company. The IASB is inviting feedback on the proposed amendments until 7 August 2024.

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

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**09/05/2024** The IASB issues a new IFRS Accounting Standard for subsidiaries. IFRS 19 Subsidiaries without Public Accountability: Disclosures permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures.

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

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**23/05/2024** The IASB publishes proposals to amend the IFRS Accounting Taxonomy to reflect the new presentation and disclosure requirements introduced in IFRS 18 Presentation and Disclosure in Financial Statements. The deadline for submitting comments is 3 September 2024.

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

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**30/05/2024** The IASB issues amendments to the classification and measurement requirements in IFRS 9 Financial Instruments. These include clarifying the classification of financial assets with ESG and similar features and the settlement of liabilities through electronic payment systems. The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

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

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## Solvency II

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**14/05/2024** The NBB issues Commission Implementing Regulation (EU) 2024/1289 of 13 May 2024 laying down technical information for the calculation of TP and BOF for reporting with reference dates from 31 March 2024 until 29 June 2024 in accordance with the Solvency II Directive.

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

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**27/05/2024** The EBA publishes the final Guidelines on STS criteria for on-balance-sheet securitisation. The Guidelines provide a harmonised interpretation of the STS criteria and focus on clarifying those criteria with potential aspects of ambiguity.

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

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## Climate Risk

**02/05/2024** The IFRS Foundation and EFRAG publish guidance material to illustrate the alignment achieved between the ISSB Standards and the ESRS and how a company can apply both sets of standards, including detailed analysis of the alignment in climate-related disclosures.

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

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**16/05/2024** The NGFS issues practices and recommendations regarding sustainable and responsible investment in central banks' portfolio management.

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

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## Others

**07/05/2024** The ESMA publishes a Call for Evidence on the review of the UCITS EAD. The objective of this call is to gather information from stakeholders to assess possible risk and benefits of UCITS gaining exposure to various asset classes. ESMA will consider all comments received by 7 August 2024.

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

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**29/05/2024** The NBB issues Communication NBB\_2022\_19 regarding the exercise of external functions by managers and persons responsible for independent control functions of regulated companies.

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

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**30/05/2024** The ESMA issues a Statement providing initial guidance to firms using AI when they provide investment services to retail clients. When using AI, ESMA expects firms to comply with relevant MiFID II requirements, particularly when it comes to organisational aspects, conduct of business, and their regulatory obligation to act in the best interest of the client.

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

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**31/05/2024** The ESAs publish templates, technical documents and tools for the dry run exercise on the reporting of registers of information in the context of DORA. The participating financial entities are expected to submit their registers of information to the ESAs through their competent authorities between 1 July and 30 August.

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

## List of acronyms used in this issue

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|       |   |
|-------|---|
| AI    | Artificial Intelligence   |
| ART   | Asset-Referenced Token  |
| BOF   | Basic Own Funds   |
| CASP  | Crypto-Asset Service Provider   |
| CRR   | Regulation 2013/575/EU (Capital Requirements Regulation), amended by Regulation 2019/876/EU (CRR 2) |
| CTP   | Consolidated Tape Provider  |
| DORA  | Digital Operational Resilience Act  |
| DRSP  | Data Reporting Service Provider   |
| EAD   | Eligible Assets Directive   |
| EBA   | European Banking Authority  |
| EFRAG | European Financial Reporting Advisory Group   |
| ESA   | European Supervisory Authorities  |
| ESG   | Environmental, social and governance  |
| ESMA  | European Securities and Markets Authority   |
| ESRS  | European Sustainability Reporting Standards   |
| EU    | European Union  |
| IASB  | International Accounting Standards Board  |
| IFRS  | International Financial Reporting Standard  |
| ISSB  | International Sustainability Standards Board  |
| ITS   | Implementing Technical Standards  |
| MiCAR | Markets in Crypto-Assets Regulation   |
| MiFID | Markets in Financial Instruments Directive  |
| MiFIR | Markets in Financial Instruments Regulation   |
| NBB   | National Bank of Belgium  |
| NGFS  | Network for Greening the Financial System   |
| RTS   | Regulatory Technical Standards  |
| SECR  | Regulation EU 2017/2402 (Securitisation Regulation)   |
| STS   | Simple, Transparent and Standardized (see Securitization Regulation, CRR)                           |
| TP    | Technical Provisions  |
| UCITS | Undertakings for the Collective Investment in Transferable Securities                               |

# About Reacfin

We develop **sustainable actuarial, quantitative financial and AI for Finance solutions** in partnership with our clients (from **design and modeling** to **operationalization** in their systems), building on **strong data analytics** while securing **full transparency** and **integral knowledge transfer**.



**Reacfin is the reliable bridge between academic excellence and market best practices.**

The company started its activities in 2004 as a spin-off of department of [UCLouvain School of Statistics, Biostatistics and Actuarial Science](#).

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.

Based in Louvain-la-Neuve (Belgium), Reacfin employs today more than 35+ consultants most of which hold PhD's or highly specialized university degrees.

Over the years, we have now served in excess of 150 different financial institutions, the vast majority of which are recurrent clients, which we see as the most convincing indicator of our clients' satisfaction.

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