

Financial Regulation: Weekly Update

Matías Cabrera and Inés Criado

April 25, 2025

Highlights

1. EC issues consultation on integration of EU capital markets
2. EBA publishes updated list of indicators used to perform risk assessments
3. IAIS publishes paper on the supervision of climate-related risks in the insurance sector
4. FRB consults on proposal regarding the stress capital buffer
5. FDIC issues statement on resolution planning for large banks

Global

- **FSB publishes common Format for Incident Reporting Exchange**
It [aims](#) to streamline cyber and operational incident reporting with a new standardized format. It addresses the fragmentation in these requirements, thus alleviating the burden on global firms in multiple jurisdictions.
- **FSB calls for continued vigilance on financial sector vulnerabilities**
The recent financial market turmoil [underscores](#) the importance of robust surveillance, proactive policymaking, international coordination, and enhanced regulation and monitoring of the NBFI sector.
- **IAIS publishes paper on the supervision of climate-related risks in the insurance sector**
It [provides](#) an overview of how the Insurance Core Principles can be applied to address climate-related risks and supports supervisors in effectively integrating climate-related risks into their supervisory practices.

Europe

- **EC issues consultation on integration of EU capital markets**
It [covers](#) areas such as Simplification and burden reduction, Trading, Post-trading, Horizontal barriers to trading and post-trading, Asset management and funds, Supervision and Horizontal questions on the supervisory framework. Deadline: June 10, 2025.
- **EBA publishes updated list of indicators used to perform risk assessments**
It [describes](#) how risk indicators (on profitability, solvency and operational risk, etc.) are computed in EBA publications. It will allow NCAs and users of EBA data to interpret key bank figures consistently.
- **ESMA publishes RTS and guidelines on liquidity management tools for funds**
This is a [key step](#) in the implementation of the revised AIFMD and UCITS Directive and will facilitate the harmonization and full availability of the LMTs defined in the Directives in all Member States.

- **EBA issues report on remuneration and gender pay gap benchmarking for 2023**
Gender pay gap caused by lower representation of women in [higher paid positions](#). Remuneration practices are stable (2021-2023), but the ratio of variable-fixed compensation in investment firms increased significantly.
- **ESAs publish joint annual report for 2024**
The main [areas](#) of focus were joint risk assessments, sustainable finance, operational risk and digital resilience, consumer protection, financial innovation, securitization, financial conglomerates and the ESAP.
- **EIOPA publishes its costs and past performance report**
It [analyses](#) the costs, charges and value for money characteristics of retail investment products within EIOPA's remit over the period 2020 to 2023.

Spain

- **CNMV publishes circular on templates for crypto-asset service providers and companies' reporting**
It [establishes](#) the reserved statements to be submitted by crypto providers pursuant to MiCAR and includes possible obligations for firms to be prepared to meet any requirements they may receive from the CNMV.
- **CNMV consults on statistical statements of collective investment undertakings & private equity firms**
It [includes](#) the scope of application, new reserved statements, a procedure for determining exempt entities based on size and non-compliance with the reporting obligation. Deadline: May 14, 2025.
- **CNMV publishes report on key investor information for collective investment & private equity**
The [objective](#) of this review was to ensure that its content complies with the regulations on packaged insurance-based retail investment products (PRIIPs).

United Kingdom

- **PRA consults on MiFID organizational regulation**
It [proposes](#) to revoke MiFID Org Reg assimilated law in the expectation that the rules will be included in the PRA's Rulebook. It is not proposing new requirements on firms. Deadline: June 23, 2025.
- **PRA publishes policy statement on identification and management of step-in risk**
It will [remove](#) the requirement for a firm to consider its relationship with a third-party securitization special purpose entity for step-in risk where its only relationship is an investment in its senior securitization position.
- **PRA publishes update on the modification of the liquidity coverage ratio**
It has [decided](#) to withdraw the modification that would allow certain third country covered bonds to be included in Level 2A High Quality Liquid Assets (HQLA), in order to reconsider it.
- **FCA consults on product information for Consumer Composite Investments**
It [proposes](#) a revised approach to the calculation of transaction costs and cost disclosure requirements under MiFID and transitional rules for firms to move to the new regime. Deadline: May 28, 2025.

United States

- **FRB consults on proposal regarding the stress capital buffer**
In order to reduce the volatility of [capital requirements](#) arising from the annual stress test, it averages the stress test results over two consecutive years. It also delays the effective date of the requirement from Oct to Jan of the following year. Deadline: 60 days after publication in the Federal Register.

- **FDIC issues statement on resolution planning for large banks**
It modifies its approach to [resolution planning](#) by focusing on the information most relevant to: i) resolve a bank through a weekend sale or ii) operate the bank for a short period of time while marketing the institution.
- **Treasury issues statement on the elimination of rules and guidance**
Together with the IRS and FinCEN, it will eliminate 15 [rules and guidance](#) materials (obsolete regulations, and rules that placed significant burden on small businesses).
- **CFTC issues statement on U.S. Treasury ETF and margin collateral for uncleared swaps**
It clarifies that shares of certain U.S. Treasury [exchange-traded funds](#) may qualify, subject to regulatory conditions, as eligible initial margin and variation margin collateral for certain uncleared swap transactions .
- **CFPB issues statement on regulatory relief from registration requirements for small loan providers**
It states that the agency will not prioritize [enforcement](#) or supervision actions with regard to entities that do not satisfy future deadlines to submit registration information under the regulation codified in 12 CFR part 1092.
- **CFTF consults on benefits and risks of trading on a 24/7 basis in the derivatives markets**
It [reviews](#) implications of extending the trading of CFTC-regulated derivatives markets to an effective 24/7 basis, including the potential effects on trading, clearing and risk management. Deadline: May 21, 2025.
- **CFTC consults on benefits and risks of perpetual contracts in the derivatives markets**
It [analyzes](#) characteristics of perpetual derivatives, including characteristics which may differ across products, as well as the implications of their use in trading, clearing and risk management. Deadline: May 21, 2025.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Achievements and challenges following a decade of European resolution*. February 2025
- [Press Article](#). *What we ask from Von der Leyen's Omnibus initiative*. February 2025
- [Press Article](#). *Less bureaucracy and regulation to boost European sustainability* (Spanish only). January 2025
- [Press Article](#). *The role of tokenization in the financial system of the future* (Spanish only). January 2025

Previous edition of our Weekly Financial Regulation Update in [English](#).

DISCLAIMER

The present document does not constitute an “Investment Recommendation”, as defined in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (“MAR”). In particular, this document does not constitute “Investment Research” nor “Marketing Material”, for the purposes of article 36 of the Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (MIFID II).

Readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data or opinions regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

The content of this document is protected by intellectual property laws. Reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process is prohibited, except in cases where it is legally permitted or expressly authorised by BBVA on its website www.bbvarsearch.com