



Regulatory Radar
April 2020

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Regulatory Highlights

The European Securities and Markets Authority (ESMA) advises the European Commission (EC) on inducements and costs and charges disclosures

On 1 April, ESMA published its [technical advice to the EC on the impact of the inducements and costs and charges disclosure requirements under MiFID II](#).

In its advice, ESMA encourages the EC to conduct further analysis on the topic of inducements, which is key for the protection of investors, and proposes some changes to the regime mainly aimed at improving the clients' understanding of inducements. In that respect, ESMA would recommend the EC to introduce the obligation to include, in all inducements disclosures, an explanation, in layman's terms, of the terms used to refer to inducements (for instance, third-party payments). Such explanation should be sufficiently clear and use simple terms to ensure that retail clients understand the nature and impact of inducements.

In relation to costs and charges disclosure, ESMA has found that the MiFID II disclosure regime generally works well and that it helps investors make informed investment decisions. However, ESMA advises that some disclosure obligations vis-à-vis eligible counterparties and professional investors are scaled back. ESMA believes indeed that the MiFID II costs and charges disclosure regime should allow for more flexibility when applied to eligible counterparties and professional clients. The technical advice explains why those parties should be allowed to opt-out of the entire costs and charges disclosure regime (ex-ante and ex-post).

Another element of the report relates to trading by telephone. MiFID II should provide that, where a transaction is carried out by telephone at the request of the client and it is not possible to provide the ex-ante costs disclosures in good time before the transaction, the relevant costs disclosures may be provided immediately after the transaction is concluded.

Lastly, ESMA recommends amending Article 3 of the MiFID II Delegated Regulation so that, when information must be provided in a durable medium, the provision of such information by means of electronic communications shall become the norm and default option. An active choice of the client to that end, should not be required any more.

COVID-19 special measures

Normative documents

European Commission (EC)

Regulation amending Regulations regarding specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak

On 24 April, the EC adopted [Regulation \(EU\) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations \(EU\) No 1301/2013 and \(EU\) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak](#). This Regulation aims to allow for derogations from certain limitations pursuant to currently applicable Union provisions in order to allow for the widest possible flexibility to mobilise existing investment resources to address the direct and indirect effects stemming from the unprecedented public health crisis in the context of the COVID-19 outbreak.

European Central Bank (ECB)

Temporary collateral easing measures

On 7 April, the ECB published a [package of temporary collateral easing measures](#) to facilitate the availability of eligible collateral for Eurosystem counterparties to participate in liquidity providing operations, such as the targeted longer-term refinancing operations. The package is complementary to [other measures](#) recently announced by the ECB, including additional longer-term refinancing operations and the Pandemic Emergency Purchase Programme (PEPP) as a response to the coronavirus emergency. The measures collectively support the provision of bank lending especially by easing the conditions at which credit claims are accepted as collateral.

The emergency collateral package contains three main features:

- set of collateral measures to facilitate an increase in bank funding against loans to corporates and households;
- adoption of the following temporary measures: lowering of the level of the non-uniform minimum size threshold for domestic credit claims to EUR 0 from EUR 25,000 previously; increase, from 2.5% to 10%, in the maximum share of unsecured debt instruments issued by any single other banking group in a credit institution's collateral pool; waiver of the minimum credit quality requirement for marketable debt instruments issued by the Hellenic Republic for acceptance as collateral in Eurosystem credit operations;
- temporary increase of the ECB's risk tolerance level in credit operations through a general reduction of collateral valuation haircuts by a fixed factor of 20%.

These measures are temporary for the duration of the pandemic crisis and linked to the duration of the PEPP. They will be re-assessed before the end of 2020, also considering whether there is a need to extend some of these measures to ensure that Eurosystem counterparties' participation in its liquidity providing operations is not adversely affected.

Basel Committee on Banking Supervision (BCBS)

Additional measures to alleviate the impact of COVID-19

On 3 April, the BCBS set out [additional measures](#) to alleviate the impact of COVID-19 on the global banking system. These measures support the provision of lending by banks to the real economy and provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities.

These measures include:

- [extraordinary support measures](#): technical clarifications to ensure that banks reflect the risk-reducing effect of extraordinary support measures introduced by many governments when calculating their regulatory capital requirements;
- [expected credit loss accounting](#): reiteration of the importance of expected credit loss accounting frameworks as a forward-looking measure of credit losses, and expectation that banks to continue to apply the relevant frameworks for accounting purposes;
- [margin requirements for non-centrally cleared derivatives](#): defer the final two implementation phases of the framework for margin requirements for non-centrally cleared derivatives by one year; and
- global systemically important banks annual assessment: the BCBS will conduct the 2020 global systemically important bank (G-SIB) assessment exercise as planned, based on end-2019 data, but has agreed not to collect the memorandum data included in the data collection template. The BCBS has also decided to postpone the implementation of the revised G-SIB framework by one year, from 2021 to 2022.

European Securities and Markets Authority (ESMA)

Lowering of notification threshold of net short positions on regulated markets

On 15 April, ESMA published its [decision 2020/525](#) requiring natural or legal persons who have net short positions in relation to a share admitted to trading on a regulated market to notify details of any such position to a competent authority if the position reaches or exceeds 0,1 % of the issued share capital. This decision entered into force immediately upon its publication on ESMA's website. It shall apply from the date of its entry into force for a period of three months.

Consultative documents

Financial Services and Markets Authority (FSMA)

COVID-19: explanations regarding the application of the MiFID II rules on the recording of telephone conversations

On 2 April, the FSMA published an explanation regarding the obligation (under MiFID II) of regulated companies to record (inter alia) telephone conversations during which their clients transmit orders to them ([FR/NL](#)). Given the exceptional situation created by the COVID-19 epidemic, it is possible that some firms, despite all the measures and precautions they have taken, may no longer be able to record these telephone conversations. This could be the case, for example, if a significant part of the company's staff works remotely.

COVID-19: information for undertakings for collective investment

On 8 April, the FSMA published a press release announcing it is following the evolution of the coronavirus crisis very closely and maintains a constant dialogue with various authorities, professional associations and other stakeholders in order to assess the impact of this crisis on the functioning of public undertakings for collective investment ([FR/NL](#)).

COVID-19: cybersecurity

On 15 April, the FSMA published a press release drawing attention to the need for increased vigilance against the increased vulnerability of the financial sector to cyber attacks due to containment measures that have forced companies to activate their business continuity plan and adopt new working methods that make teleworking widespread ([FR/NL](#)). The FSMA notes that this type of risk could have major repercussions on operational continuity, already weakened by the COVID-19 epidemic.

Q&A regarding the impact of COVID-19 on the obligations of listed companies

On 29 April, the FSMA published a Q&A about the impact of COVID-19 on the obligations of listed companies ([FR/NL](#)). The Q&A is intended, on the one hand, to recapitulate the positions taken in the FSMA's [press release of 26 March 2020](#) and, where necessary, to provide further details, and on the other hand, in light of the provisions of Royal Decree No. 4, to sum up a number of points that the FSMA considers require attention.

The Q&A addresses three topics: communication about the consequences of COVID-19; compliance with the obligation to provide periodic information; and the convocation and holding of general meetings of shareholders, and communication in that regard.

COVID-19: Measures taken by the insurance industry

On 15 April, the FSMA published an overview ([NL/FR](#)) of measures taken by the insurance industry within the context of difficulties encountered by both natural as legal persons. The insurers have agreed upon a lenient approach for customers in difficulties and to ensure that they remain covered.

National Bank of Belgium (NBB)

Communication NBB_2020_008/Reporting regarding the consequences of COVID-19 pandemic for the insurance sector

On 31 March, the NBB released a communication ([NL/FR](#)) on the reporting of the consequences of the COVID-19 on (re)insurers within the Belgian insurance sector. The information to be provided to the NBB is as follows:

- weekly quantitative reporting of financial key data of the insures;
- weekly quantitative reporting on the evolution of the financial key data and the liquidity position of the insurer;
- one-off reporting on the intention of the insurer in question regarding the potential dividend distribution to shareholders and policyholders as well as the latest version of all relevant internal policy documentation. The latter documentation shall be delivered prior to 20 March 2020.

Communications NBB_2020_009 and NBB_2020_010 concerning the postponement of the deadline for certain quantitative and qualitative reportings which should be submitted through OneGate and eCorporate respectively

On 31 March, in light of the COVID-19 pandemic, the NBB released communications on the postponement of certain quantitative ([NL/FR](#)) and qualitative ([NL/FR](#)) reportings that should be submitted through OneGate and eCorporate in 2020 by the (re)insurance sector. The postponement of these reportings serves as a specific Belgian complement to postponements concerning the annual Solvency II-report about the situation as of 31 December 2019, and the quarterly Solvency II-report about the situation as of 31 March 2019.

Communication NBB_2020_011/Expectations regarding dividend distribution policy in the context of the management of the coronavirus (COVID-19)

On 1 April, the NBB released a [communication](#) on the expectations of the Bank regarding the dividend distribution policy of credit institutions and groups of credit institutions that are under the direct supervision of the Bank, in light of the measures adopted to manage the impact of COVID-19.

Communication NBB_2020_012/Expectations regarding dividend distribution, variable compensation and profit sharing in the context of the management of the coronavirus (COVID-19)

On 7 April, the NBB released a communication ([NL/FR](#)) on the expectations of the Bank regarding the dividend distribution, variable compensation and profit sharing of Belgian (re)insurers within the context of the COVID-19.

Communication NBB_2020_13 / IFRS9 In the context of the COVID-19 pandemic

On 8 April, the NBB published a [communication](#) on the application of the provisioning of credit losses under IFRS9, which is a particular point of attention for regulators due to the current climate of uncertainty created by the COVID-19 pandemic. The guidance covers the following aspects:

- the collective assessment of a potential increase in credit risk (SICR5);
- the taking into account of long-term macroeconomic forecasts; and
- the use of macroeconomic forecasts for so-called "specific" years.

The NBB believes that this guidance is also relevant for least significant entities whose accounting consolidation happens on the basis of IFRS accounting standards, which entails that they face the same problems.

Communication NBB_2020_14 / Communication COVID-19

On 7 April, the NBB published a [communication](#) on the potential effects of the COVID-19 pandemic on the mechanisms to prevent money laundering and terrorist financing (AML/CFT). The NBB encourages the financial institutions that fall under its relevant supervisory powers to concentrate the resources allocated to AML/CFT on the tasks that are most necessary to maintain a high level of effectiveness of these mechanisms. The NBB also informs the financial institutions of its decision to extend to 31 August 2020 the deadline for communicating the Anti-Money Laundering Compliance Officer annual activity report 2019 and for replying to the 2020 periodic questionnaire on combating money laundering and terrorist financing.

Communication NBB_2020_15 / Reporting with respect to the NBB in response to the COVID-19 pandemic

On 14 April, the NBB published a [communication](#) on its reporting expectations in response to the COVID-19 pandemic. In response to the current coronavirus pandemic, the EBA, the ECB and the Single Resolution Board (SRB) recently announced a number of measures to reduce the reporting burden on institutions during this pandemic. These are included in the annexes of the NBB's current communication. Likewise, the NBB recognises that the current coronavirus pandemic poses significant and diverse challenges to many institutions and, through this Communication informs institutions of its approach to prudential, statistical and resolution reporting.

Q&As for credit institutions

On 15 April, the NBB published a list of [Q&As](#) with respect to the technical implementation of the agreement with the banks on the financing of individuals and companies affected by the corona crisis. This list has been updated on 23 April and will be updated in the light of any subsequent developments.

European Commission (EC)

Statement by the EU Technical Expert Group on Sustainable Finance (TEG): Sustainable recovery from the Covid-19 pandemic requires the right tools

On 27 April, the EC published a statement by the [EU TEG: Sustainable recovery from the Covid-19 pandemic requires the right tools](#). The TEG has developed three tools that can guide both government and private sector plans right away: The Sustainable Taxonomy, the Green Bonds Standard and the Paris-Aligned and Climate Transition Benchmarks. The Sustainable Taxonomy provides a framework for future recovery measures. It shows

the environmental performance and minimum social standards that are necessary for economic activities to reach our climate and environmental goals. The Green Bond Standard (GBS) presents a best practice model, the elements of which can be applied by all bond issuers to explain how their funding contributes to the wider sustainability strategy and resulting environmental and social impacts of the issuer. The Paris-Aligned and Climate Transition Benchmarks are tools to support allocation of a large amount of private capital towards climate transition.

Proposal for a regulation amending the Capital Requirements Regulation (CRR) and CRR II, as regards adjustments in response to the COVID-19 pandemic

On 28 April, the EC launched a [proposal for a regulation amending CRR and CRR II as regards adjustments in response to the COVID-19 pandemic](#). Besides making full use of the flexibility allowed for in the existing framework, some limited changes to specific aspects of the CRR are necessary in order to maximise the capacity of credit institutions to lend and to absorb losses related to the COVID-19 pandemic, while still ensuring their continued resilience. In particular, the following 5 needs for adjustment are covered by the Proposal of the EC:

- adjust the transition arrangements;
- account for the impact of COVID-19 guarantees;
- the offsetting mechanism with the competent authority;
- deferral of the application date of the new leverage ratio buffer requirement; and
- the application dates of some of the capital benefits envisaged in the CRR but not yet applicable need to be anticipated.

This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.

European Council (EU Council)

EU Council publishes a roadmap for recovery – towards a more resilient, sustainable and fair Europe

On 21 April, the EU Council published [a roadmap for recovery – towards a more resilient, sustainable and fair Europe](#). The document stresses the need for a comprehensive recovery plan and unprecedented investment that will help us relaunch and transform our economies. It has been drawn up after consulting other institutions, social partners as well as Member States. It sets out some important principles, such as solidarity, cohesion and convergence. It further defines four key areas for action: a fully functioning Single Market, an unprecedented investment effort, acting globally, and a functioning system of governance.

European Central Bank (ECB)

ECB supports macroprudential policy actions taken in response to COVID-19 pandemic

On 15 April, the ECB issued a [press release](#) stating that the ECB supports macroprudential policy actions taken in response to the COVID-19 pandemic. In particular the ECB supports the [measures taken by euro area macroprudential authorities](#) to address the impact of the COVID-19 pandemic on the financial sector. The ECB has assessed the notifications submitted by national macroprudential authorities for each proposed measure provided for in the [CRR](#) and [CRD](#) and has issued a non-objection decision, thereby endorsing the measures taken to reduce capital requirements, including the countercyclical capital buffer.

ECB announces new pandemic emergency longer-term refinancing operations (LTROs)

On 30 April, the ECB issued a [press release](#) announcing new LTROs in response to the COVID-19 pandemic. The Governing Council of the ECB decided to conduct a new series of seven additional LTROs, called Pandemic Emergency Longer-Term Refinancing Operations (PELTROs). These operations will provide liquidity support to the euro area financial system and contribute to preserving the smooth functioning of money markets by providing an effective backstop after the expiry of the bridge LTROs that have been conducted since March 2020. Counterparties participating in PELTROs will be able to benefit from the collateral easing measures in place until the end of September 2021 that were announced by the Governing Council on 7 and 23 April 2020.

Basel Committee on banking Supervision (BCBS)

Measures to reflect the impact of COVID-19

On 3 April, the BCBS published a document on [measures to reflect the impact of COVID-19](#). The document sets out technical guidance related to:

- The exceptional measures introduced by governments and banks to alleviate the impact of the coronavirus disease (Covid-19); and
- Expected credit loss (ECL) accounting.

The guidance seeks to ensure that banks reflect the risk-reducing effect of the exceptional measures when calculating their capital requirements. It also sets out the amended transitional arrangements for the regulatory

capital treatment of ECL accounting, which will provide jurisdictions with greater flexibility in how to phase in the impact of ECL on regulatory capital.

Financial Action Task Force (FATF)

COVID-19 and measures to combat illicit financing

On 1 April, the FATF published a [public statement](#) by the FATF President on COVID-19 and measures to combat illicit financing. The FATF stands ready to provide further AML/CFT guidance to support the current global efforts to tackle the COVID-19 crisis and its effects, and welcomes feedback.

FATF extends its assessment and follow-up deadlines in response to COVID-19

On 28 April, the FATF published an [announcement](#) to inform about the temporary postponement of all remaining FATF mutual evaluations and follow-up deadlines. The new mutual evaluation schedule is available on the [FATF calendar](#).

European Banking Authority (EBA)

EBA publishes guidelines on treatment of public and private moratoria in light of COVID-19 measures

On 2 April, the EBA published [guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis](#). The guidelines clarify that payment moratoria do not trigger classification as forbearance or distressed restructuring if the measures taken are based on the applicable national law or on an industry or sector-wide private initiative agreed and applied broadly by the relevant credit institutions. In addition, the guidelines recall that institutions must continue to adequately identify those situations where borrowers may face longer-term financial difficulties and classify exposures in accordance with the existing regulation. The requirements for identification of forbore exposures and defaulted obligors remain in place.

EBA provides further guidance on the use of flexibility in relation to COVID-19 and calls for heightened attention to risks

On 22 April, the EBA issued a [press release](#) clarifying how additional flexibility will guide supervisory approaches in relation to market risk, the Supervisory Review and Evaluation Process (SREP), recovery planning, digital operational resilience and ICT risk and securitisation. At the same time, the EBA noted the need for stringent attention by supervisors and financial institutions in relation to key risks in these areas.

EBA publishes a statement on additional supervisory measures in the COVID-19 pandemic

On 22 April, the EBA published a [statement on additional supervisory measures in the COVID-19 pandemic](#). The EBA has identified the need to further specify how some additional flexibility and relief can be implemented in the supervisory areas. In particular, this statement explains how the principles of effectiveness, flexibility and pragmatism will guide supervisory approaches in relation to the Supervisory review and Evaluation Process (SREP), recovery planning, digital operational resilience and the application of the guidelines on payment moratoria to securitisations.

EBA statement on the application of the prudential framework on targeted aspects in the area of market risk in the COVID-19 outbreak

On 22 April, the EBA published its [statement](#) complementing the existing guidance provided by the EBA in response to the COVID-19 outbreak by clarifying a number of aspects of the prudential framework in the area of market risk and proposing amendments to [Delegated Regulation \(EU\) No 101/2016 on prudent valuation](#). This statement covers four areas: i) prudent valuation; ii) reporting requirements in the standardized approach under the fundamental review of the trading book; iii) implementation of phase V and VI of the implementation of the joint European supervisory authorities regulatory technical standards on non-cleared OTC derivatives and iv) back-testing breaches on Internal Model Approach models.

European Securities and Markets Authority (ESMA)

ESMA updates its risk assessment in light of the COVID-19 pandemic

On 2 April, ESMA updated its [risk assessment](#) to account for the impact of the COVID-19 pandemic. Going forward, ESMA sees – intermittent market rebounds notwithstanding – a prolonged period of risk to institutional and retail investors of further – possibly significant – market corrections and sees very high risks across the whole of the ESMA remit.

ESMA sets out supervisory expectations on publication of investment funds periodic reports

On 9 April, ESMA issued a [public statement](#) directed at fund managers concerning their obligations to publish annual and half-yearly reports in respect of funds they manage, in relation to reporting periods ending from 31 December 2019 to 30 April 2020 inclusive.

ESMA postpones publication dates for annual non-equity transparency calculations and quarterly SI data

On 9 April, ESMA issued a [public statement](#) postponing the application of the annual non-equity transparency calculations and the calculations for the systematic internaliser test for derivatives, exchange-traded commodities, exchange-traded notes, emission allowances and structured finance products under MiFID II. ESMA, in cooperation with the national competent authorities (NCAs) will postpone the publication of those calculations which include the liquidity assessment and the determination of the pre-trade and post-trade large in scale and size specific to the instrument thresholds from 30 April 2020 to 15 July 2020 and their application from 1 June 2020 to 15 September 2020.

ESMA extends MiFID II/MiFIR transparency review report consultation to 14 June 2020

On 9 April, ESMA issued a [press release](#) detailing its decision, in view of the effects of the ongoing COVID-19 pandemic on stakeholders and market participants, to further extend the response date for the [consultation](#) on the MiFID II/MiFIR review report on the transparency regime for non-equity instruments and the trading obligation for derivatives to 14 June 2020.

ESMA issues new Q&A on alternative performance measures in the context of COVID-19

On 17 April, ESMA issued a [Q&A](#) to provide guidance to issuers on the application of the ESMA Guidelines on alternative performance measures in the context of the COVID-19 pandemic.

European Insurance and Occupational Pensions Authority (EIOPA)

EIOPA calls for action to insurers and intermediaries to mitigate the impact of COVID-19 on consumers

On 1 April, EIOPA published a [statement](#) on actions to mitigate the impact of the coronavirus (COVID-19) on the EU insurance sector as well as [recommendations](#) on supervisory flexibility regarding deadlines of supervisory reporting and public disclosure by insurers.

EIOPA publishes an update on other measures impacted by COVID-19

On 2 April, EIOPA published an [update](#) announcing that it will limit its requests of information and the consultations to the industry to essential elements needed to assess and monitor the impact of the current situation in the market. Further, EIOPA updated its list of consultations, currently open to the market, of which the period is extended.

EIOPA publishes a statement on dividend distribution and variable remuneration policies in the context of COVID-19

On 2 April, EIOPA published a [statement](#) urging (re)insurers to temporarily suspend all discretionary dividend distributions and share buy backs aimed at remunerating shareholders. This suspension should be reviewed as the financial and economic impact of the coronavirus (COVID-19) starts to become clearer. This prudent approach should also be applicable to the variable remuneration policies. On 7 April, the NBB published a similar recommendation ([NL/FR](#)) urging the (re)insurers to suspend all planned dividend payments until at least October 2020.

EIOPA publishes Solvency 2.4.0 Taxonomy

On 3 April, EIOPA published [Solvency 2.4.0 Taxonomy - Technical specifications for EIOPA recommendations on supervisory flexibility regarding the deadline of supervisory reporting and public disclosure – Coronavirus COVID-19](#). On 20 March, EIOPA published [Recommendations on supervisory flexibility regarding the deadline of supervisory reporting and public disclosure – Coronavirus/COVID-19](#) as a response to the COVID-19-induced increasingly difficult conditions under which businesses must run their operations and maintain continuity. In order to ensure the technical implementation of the recommendations described in the afore-mentioned document with the 2.4.0 Solvency II Taxonomy, EIOPA issued the document providing detailed technical instructions to be followed by (re)insurance undertakings, as well as by the Competent Authorities.

EIOPA publishes statement on principles to mitigate the impact of COVID-19 on the occupational pensions sector

On 17 April, EIOPA published its [statement](#) stating that given the current COVID-19 situation, it expects NCAs to adhere to the following principles using a risk-based and appropriate approach:

- business continuity and operational risks;
- liquidity position;
- funding situation and pro-cyclicality;

- protection of members and beneficiaries; and
- communication.

EIOPA revises its timetable for advice on Solvency II Review until end December 2020

On 30 April, EIOPA [announced](#) that it will deliver its advice to the EC at end of December 2020, to take into account the importance of assessing the impact of the current Covid-19 situation on the Solvency II Review. The deadline of the information request for the holistic impact assessment of the 2020 Solvency II Review has thus been deferred further, as in their [previous announcement](#) of 17 March it had only been deferred by two months, which implied a deadline by 1 June.

International Organization of Securities Commissions (IOSCO)

IOSCO statement on the application of accounting standards during the COVID-19 outbreak

On 3 April, IOSCO issued a [Statement on Application of Accounting Standards during the COVID-19 Outbreak](#). In light of current uncertainty resulting from the COVID-19 outbreak, IOSCO remain fully committed to the development, consistent application and enforcement of high-quality accounting standards which are of critical importance to the proper functioning of the capital markets. IOSCO has been closely engaged with the International Accounting Standards Board (IASB) and other regulators regarding the application of the International Financial Reporting Standards – Financial Instruments (IFRS 9) in this context.

IOSCO reprioritizes its work program to address impact of COVID-19

On 8 April, the IOSCO published a [press release](#) announcing that it has agreed to pause or delay some of its work in 2020 in order to redirect its resources to focus on the multiple challenges securities markets and regulators are addressing as a result of the COVID-19 crisis

Financial Stability Board (FSB)

FSB members take action to ensure continuity of critical financial services functions

On 2 April, the FSB published a [press release](#) announcing it continues to cooperate and take action nationally and collectively to mitigate the financial risks posed by the COVID-19 pandemic. The FSB Plenary met telephonically on 30 March to review the numerous actions taken to support market functioning and maintain the provision of credit to households and businesses.

The same day, the FSB published another [press release](#) announcing its 17th Regional Consultative Group for the Middle East and North Africa meeting via a conference call to discuss recent macroeconomic and financial market developments, including the financial stability implications from COVID-19.

The FSB, representing a broad and diverse membership of national authorities, international standard setters and international bodies, is [actively cooperating to maintain financial stability during market stress related to COVID-19](#).

Report on international cooperation to address the financial stability implications of COVID-19

On 15 April, the FSB published a [report](#) delivered to the G20 on international cooperation and coordination to address the financial stability implications from COVID-19. The report sets out five principles that underpin the official community's rapid and coordinated response to support the real economy, maintain financial stability and minimise the risk of market fragmentation.

European Covered Bond Council (ECBC)

ECBC published a press release on the creation of a dedicated task force

On 3 April, the ECBC has announced the establishment of [special task force on COVID-19](#). In first instance, the Task Force will analyse the impacts on mortgage and covered bonds markets, compile relevant national, European and international measures and gather critical statistics. In the second stage, it will identify the market best practices and solutions with a view to delivering market coordination and support to a future recovery plan.

United Nations Environment Programme – Finance Initiative (UNEP FI)

Banks share responses to covid-19 crisis: call to members to tell us about your company's experiences

On 6 April, UNEP FI [published](#) banks' responses to the COVID-19 crisis. To help support their customers and in turn communities in the most effective ways, UNEP Finance Initiative's coalition of over 200 banks from over 60 countries shared practices, solutions and lessons learned as they respond to the COVID-19 crisis and its economic impacts.

In Belgium, BNP Paribas has introduced deferrals for mortgage loans (up to 6 months) for retail clients and deferrals for current loans (up to 6 months) for corporate clients. Among other measures, KBC has introduced suspension of capital and interest payments for mortgages in general, and for some very vulnerable clients KBC temporarily waives the interests.

Responsible Investor (RI)

Post-Covid recovery packages must quicken the pace to net-zero carbon emissions

On 24 April, the RI published an [article](#) by Allianz CIO Günther Thallinger and LSE's Nick Robins on how to "recover better" from the crisis, as UN Secretary General Antonio Guterres put it. The UNEP FI and Principles for Responsible Investment (PRI) have put 22 asset owners together to form the Net-Zero Asset Owner Alliance. According to the Alliance, three design principles are paramount. Recovery plans should align with the [Paris Agreement](#), governments ought to adapt policy in support of sustainable growth opportunities and finally the Alliance's support for a coordinated multilateral response with special attention to developing and emerging economies. According to the Alliance, funding would originate from additional borrowing through sovereign bonds as well as other public debt issuance, including investments by development banks.

Conduct of Business & Products

See Highlight “ESMA advises the European Commission on inducements and costs and charges disclosures”

Normative documents

No relevant texts.

Consultative documents

European Securities and Markets Authority (ESMA)

ESMA completes review of MiFID II commodity derivatives regime

On 1 April, ESMA published a [review report](#) on the impact of position limits and position management on commodity derivatives markets, following over two years of MiFID II application. The report contains proposals to make the commodity derivatives framework operate more efficiently for market participants and competent authorities. This includes refocusing the position limit regime on the most important commodity derivatives contracts, and improving convergent implementation of position management controls by trading venues through Level 2 measures.

Guidelines on performance fees in UCITS and certain types of AIFs

On 3 April, ESMA published its [final report](#) and guidelines on performance fees in UCITS and certain types of AIFs. Their objective is to promote greater convergence and standardisation in the field of performance fees and promote convergent supervision by competent authorities. In particular, they aim to ensure that performance fee models used by the management companies comply with the principles of acting honestly and fairly in conducting their business activities and acting with due skill, care and diligence, in the best interest of the fund that they manage, in such a way as to prevent undue costs being charged to the fund and its investors.

International Capital Market Association (ICMA)

ICMA publishes bond market post-trade transparency directory

On 7 April, the ICMA compiled an [overview](#) of current post-trading reporting obligations across multiple jurisdictions from Europe, the Americas and Asia-Pacific. The purpose of the mapping is to provide a consolidated view to compare both regulatory rules and best practice guidance on bond post-trade transparency regimes, as well as details on reporting fields and exceptions.

Financial Crime & Market Integrity

Normative documents

No relevant texts.

Consultative documents

Financial Services and Markets Authority (FSMA)

A renewal of the prohibition of short selling

On 15 April, the FSMA published a [press release](#) announcing a renewal of the prohibition of short selling and similar transactions on the regulated market of Euronext Brussels, pursuant to [Article 20 of the Regulation \(EU\) no. 236/2012 of the European Parliament](#) . The conditions included in its resolution replace the ones previously in force and shall be applied as of April 17, 2020.

The Wolfsberg Group

Correspondent banking due diligence questionnaire (CBDDQ) - new version publication

On 17 April, the Wolfsberg group published a [press release](#) announcing its release of version 1.3 of the CBDDQ and financial crimes compliance questionnaire with changes focused on greater clarity and ease of use. The Wolfsberg Group calls upon the banking industry and supervisors to continue the acceleration of the adoption of the CBDDQ as the standard for higher risk correspondent banking activity.

Governance & Risk Management

Normative documents

No relevant texts.

Consultative documents

European Insurance and Occupational Pensions Authority (EIOPA)

EIOPA publishes weekly information for relevant risk free interest rate term structures (RFR) and symmetric adjustment to equity risk (EDA) with reference to 27 April 2020

On 30 April, EIOPA published a [press release](#) announcing that, due to COVID-19 outbreak, in the coming weeks EIOPA will carry out extraordinary calculations on weekly basis to monitor the evolution of the RFR and the EDA. EIOPA is publishing this information in order to support insurance and reinsurance undertakings in the monitoring of their solvency and financial position.

Sustainable Finance

Normative documents

No relevant texts.

Consultative documents

European Commission (EC)

EC Consultation on the renewed sustainable finance strategy

On 8 April, the EC launched a [consultation on the renewed sustainable finance strategy](#). Building on [the 2018 Action Plan on financing sustainable growth](#), the renewed sustainable finance strategy will provide a roadmap containing new actions and activities to support the development of sustainable finance. The new actions aim to increase private investment in sustainable projects. The activities aim to support the different actions set out in [the European Green Deal](#), and to manage and integrate climate and environmental risks into our financial system. The initiative will also provide additional enabling frameworks for the [European Green Deal Investment Plan](#). The consultation runs until on 15 July 2020.

EC consults on sustainable finance

On 8 April, the EC launched 3 consultations on sustainable finance, all of which relate to the benchmarking of sustainable criteria. Benchmarks help traders and investors assess how a company's sustainability and ethical practices affect its performance. They are designed to make it easier to compare assets and make well-informed investment choices.

- the [consultation on minimum standards for climate benchmarks](#) concerns the minimum standards to help benchmark administrators design the 'EU climate transition' and 'EU Paris-aligned' benchmarks;
- the [consultation on environmental, social and governance \(ESG\) criteria](#) calls for companies that publish financial benchmarks ('benchmark administrators') to explain clearly how ESG criteria are reflected for each benchmark/family of benchmarks; and
- the [consultation on building in ESG criteria](#) calls for benchmark administrators to provide information on how they build ESG factors into their calculations.

All 3 consultations run until 6 May 2020.

Communication from the EC to the EU Parliament on the establishment of a framework to facilitate sustainable investment and on sustainability-related disclosures in the financial services sector

On 23 April, the EC released a [Communication from the Commission to the European Parliament pursuant to Article 294\(6\) of the Treaty on the Functioning of the European Union concerning the position of the Council on the adoption of a Regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment 2018/0178 \(COD\), and amending Regulation 2019/2088 on sustainability-related disclosures in the financial services sector](#). The political agreement introduced several changes that deviate from the initial Commission proposal, including on the following points:

- extension of the scope of the regulation;
- specification of the types of economic activities that can be considered for eligibility: two sub-categories of environmentally sustainable economic activities are introduced: enabling activities (applicable to all six environmental objectives) and transition activities (applicable only to the climate change mitigation objective); and
- changes in provisions that relate to specific economic activities of interest: power generation activities from solid fossil fuels are explicitly excluded from eligibility.

European Council (EU Council)

EU Council adopts a unified EU classification system for sustainable finance

On 15 April, the EU Council adopted a [Regulation on the establishment of a framework to facilitate sustainable investment, and amending Regulation \(EU\) 2019/2088](#). The new Regulation sets out a taxonomy, which will provide businesses and investors with a common language to identify those economic activities which are considered environmentally sustainable. This will enable investors to refocus their investments on more sustainable technologies and businesses. The decision was adopted by written procedure. It means that the Council has adopted its position at first reading. The Regulation now needs to be adopted by the European Parliament at second reading before it can be published in the Official Journal and enter into force.

Basel Committee on Banking Supervision (BCBS)

The BCBS publishes a report on current initiatives concerning climate-related financial risk

On 30 April, the BCBS published [climate-related financial risk: a survey on current initiatives](#), which summarises the main results of a stocktake conducted by the Basel Committee of its members' initiatives on climate-related financial risks.

European Supervisory Authorities (ESAs)

ESAs consult on environmental, social and governance disclosure rules

On 23 April, the ESAs launched a [joint consultation paper on ESG disclosures](#). The draft Regulatory Technical Standards relate to several disclosure obligations under the [Sustainable Finance Disclosure Regulation](#). The consultation runs until 1 September 2020.

European Securities and Markets Authority (ESMA)

ESMA issues a No Action Letter on the new ESG disclosure requirements under the Benchmarks Regulation (BMR)

On 29 April, the ESMA published a [No Action Letter on sustainability-related disclosures for benchmarks](#). The letter promotes coordinated action by National Competent Authorities (NCAs) regarding the new ESG disclosure requirements for benchmark administrators under the [BMR](#). It is also issuing an [Opinion](#) to the EC on the need for prompt adoption of the relevant Delegated Acts. The new requirements are due to apply on 30 April 2020 and require benchmark administrators to include details of how ESG factors are reflected in their methodology documents and benchmark statements. ESMA considers that it is necessary for NCAs to address the absence of the Delegated Acts through consistent risk-based supervisory and enforcement practices.

International Organisation of Securities Commission (IOSCO)

IOSCO steps up its efforts to address issues around sustainability and climate change

On 14 April, IOSCO published a [press release](#) announcing that it steps up its efforts to address issues around sustainability and climate change. The board of IOSCO thereby published its report on [sustainable finance and the role of securities regulators and IOSCO](#). The report indicates that many issuers and asset managers operating cross border may be subject to different regulatory regimes or participate in multiple regional or international thirdparty initiatives. This wide variety of regulatory regimes and initiatives, often with inconsistent objectives and requirements, may prevent stakeholders from fully understanding the risks and opportunities that sustainable business activities entail.

International Capital Market Association (ICMA)

ICMA publishes update memorandum on the EU's sustainability disclosure regime

On 30 April, the ICMA published an [update memorandum on the EU's sustainability disclosure regime](#). New and amended EU legislation is introducing significant sustainability and ESG related disclosure requirements that will impact all participants in the European capital markets. This document seeks to give as much as possible a comprehensive and practical overview of these developments.

EFAMA comments on the Joint Research Centre's (JRC's) 2nd technical report on development of EU Ecolabel criteria for retail financial products

On 17 April, the EFAMA published its [comments on the JRC's 2nd technical report on development of EU ecolabel criteria for retail financial products](#). EFAMA believes that a clarity of purpose is important for retail investors to understand what the EU Ecolabel stands for. As the EU Ecolabel is aimed at promoting environmentally sustainable investments, it should not be confused with 'ESG' labels promoting not only environmental but also social and governance aspects. EFAMA recommends to ensure that the design of the EU Ecolabel clearly reflects its purpose by focusing on the environmental criteria. Social and governance aspects should be aligned with corresponding provisions in the [EU Taxonomy Regulation](#).

EFAMA provides feedback on the development of Delegated Regulation on climate change and adaptation

On 27 April, EFAMA published its [feedback on the development of Delegated Regulation on climate change and adaptation](#). This preliminary feedback concerns the main challenges identified regarding the implementation of the EU Taxonomy and the related screening criteria as proposed by TEG. Next to this, they also provide some recommendations for the way forward."

European Investment Bank (EIB)

EIB climate action publishes list of eligible sectors and eligibility criteria

On 8 April, the EIB published [EIB climate action –eligible sectors and eligibility criteria](#). This list identifies the projects, or components of projects, that will be recorded by the bank as contributing towards the EIB COP climate action indicator. The eligible part of the lending to those projects will be counted towards the achievement of a minimum of 25% of total lending for climate action. The eligible sectors and eligibility criteria will be regularly reviewed to take account of internal EIB developments such as their work on high impact investments which is part of the implementation of their 2015 [Climate Strategy](#).

European Association of Co-operative Banks (EACB)

EACB comments on the Joint Research Centre (JRC) technical report on the development of EU Ecolabel criteria for retail financial products

On 20 April, the EACB published [comments on the JRC technical report on the development of EU Ecolabel criteria for retail financial products](#). The [JRC technical report on the development of EU Ecolabel criteria for retail financial products](#) was initially published in a draft version in March 2019. The EACB considers the work on EU Ecolabel for financial products as an important step. Given the fact that co-operative banks are typically retail banks, who interface mostly with households and small and medium-sized enterprises' (SMEs') clients, the EACB is answering to this specific consultation from the point of view of "distributors".

EACB feedback to the roadmap on the impact assessment on the delegated acts to the taxonomy regulation (climate change mitigation and adaptation)

On 27 April, the EACB published its [feedback to the roadmap on the impact assessment on the delegated acts to the taxonomy regulation \(climate change mitigation and adaptation\)](#). Some key points are:

- the practical work with the provisions of the taxonomy should be easy, clear, reliable and efficient to avoid unnecessary and costly administrative barriers; and
- companies are not (yet) aware about the need of implementing specific additional information requested by the regulation.

United Nations (UN)

UN Environment Programme Finance Initiative's (UNEP FI) Positive Impact Initiative (PII) launched new holistic impact analysis tools for the financial sector

On 2 April, UNEP FI PII has [launched](#) two new tools for corporates, banks and investors to work together and step up their capacity to deliver on the Sustainable Development Goals (SDGs). The [Corporate Impact Analysis Tool](#) helps banks and investors gain a cross-cutting view of the impact status and possibilities of their clients and investee companies. The [Portfolio Impact Analysis Tool for Banks](#) is designed to guide banks through a top-down analysis of their portfolios using the same holistic methodology as the Corporate Impact Analysis Tool.

Capital & Liquidity

Normative documents

Belgian Legislation

Royal Decree (RD) approving the National Bank of Belgium's (NBB) Regulation of 10 March 2020 relating to the determination of the rate of the the countercyclical category 1 basic capital conservation buffer rate.

On 1 April 2020, the [RD approving the NBB Regulation of 10 March 2020 relating to the determination of the rate of the countercyclical category 1 basic capital conservation buffer rate](#) was published in the Belgian Official Journal. This RD also entered into force on 1 April 2020.

Consultative documents

European Banking Authority (EBA)

EBA updates list of Other Systemically Important Institutions (O-SIIs)

On 3 April, the NBB published an [updated list of O-SIIs](#). 8 institutions are identified O-SII in Belgium: Belfius Bank, BNP Paribas Fortis, ING Belgium, KBC Group, Axa Bank Belgium, Euroclear, Argenta and The Bank of New York Mellon.

EBA updates impact of the Basel III reforms on EU banks' capital and compliance with liquidity measures

On 8 April, the EBA published two reports, which [measure the impact of implementing the final Basel III reforms](#) and [monitor the current implementation of liquidity measures](#) in the EU. Being based on June 2019 reporting, these results do not reflect the economic impact of the coronavirus disease (COVID-19) on participating banks. Overall, the EBA estimates that the Basel III reforms, once fully implemented in 2028 after the additional delay of one year agreed by the BCBS, would determine an average increase by 16.1% of EU banks' Tier 1 minimum required capital. The liquidity coverage ratio of EU banks, which was fully implemented in January 2018, stood at around 147% on average in June 2019.

EBA's quarterly risk dashboard covering Q4 2019 shows that EU banks sail through the corona crisis with sound capital ratios

On 14 April, the EBA published its [risk dashboard concerning data as of 2019](#). The dashboard covers a number of risk indicators such as solvency, credit risk and asset quality, profitability and funding and liquidity. It summarizes the main risks and vulnerabilities in the EU banking sector.

EBA agrees with the European Commission's (EC) amendments to standards on risk weights to specialised lending exposures under the Capital Requirements Regulation CRR

On 17 April, the EBA published an [opinion in response to the EC's intention to amend the EBA's final draft regulatory technical standards \(RTS\) on assigning risk weights to specialised lending exposures before endorsing them](#). The EBA is of the view that the proposed changes, despite their substantive nature, do not alter the [final draft RTS](#) in a significant manner, as they still maintain a good balance between the flexibility and risk sensitivity required for the internal ratings-based approach and the need for a harmonised regulatory framework.

European Banking Federation (EBF)

EBF Contribution to the High-Level Forum on the Capital Markets Union (CMU)

On 27 April, the EBF published its [contribution to the High-Level Forum on the CMU](#). The EBF fully supports the EC's efforts to relaunch the CMU and, specifically, the work of the [High-Level Forum \(HLF\)](#). The EBF sees the need for further integrated capital markets. Not least in view of the enormous challenges and strains posed and imposed by the corona pandemic, a top priority must now be to eliminate all obstacles to economic growth.

Disclosure & Reporting

Normative documents

European Commission (EC)

Commission concludes that the amendments to International Financial Reporting Standard (IFRS) 3 Business Combinations meet the criteria for adoption

On 22 April 2020, [Commission Regulation \(EU\) 2020/551 amending Regulation \(EC\) No 1126/2008 adopting certain international accounting standards in accordance with the IAS Regulation as regards IFRS 3](#) was published in the Official Journal of the European Union. On 22 October 2018, the International Accounting Standards Board published [definition of a business \(amendments to IFRS 3\)](#) in order to address the concerns highlighted by the post- implementation review of IFRS 3 Business Combinations about the challenges to apply the definition in practice. The objective of the amendments is to clarify the definition of a business with a view to facilitating its practical implementation. Following the consultation with the European Financial Reporting Advisory Group, the Commission concludes that the amendments to IFRS 3 business combinations meet the criteria for adoption set out in Article 3(2) of [the IAS Regulation. Regulation \(EC\) No 1126/2008](#) should therefore be amended accordingly.

Consultative documents

National Bank of Belgium (NBB)

Circular on implementation of Regulation (EU) 2015/534 of the European Central Bank of 17 March 2015 on reporting of supervisory financial information, as amended

On 21 April, the NBB published a [Circular on implementation of Regulation \(EU\) 2015/534 of the European Central Bank of 17 March 2015 on reporting of supervisory financial information, as amended](#). This Circular specifies certain rules for the implementation in Belgium of [Regulation \(EU\) 2015/534 on reporting of supervisory financial information, as amended](#). With a view to the implementation of Financial Reporting (FINREP) on an individual basis as required by this Regulation, a mapping has been established to make the link between Belgian banking accounting law applicable at individual level and the European framework for FINREP. This Circular replaces former [Circular NBB 2017_30](#) for reporting with 30 June 2020 as first reference date.

Basel Committee on Banking Supervision (BCBS)

Basel III monitoring report

On 8 April, the BCBS published the [Basel III monitoring report](#). This report presents the results of the BCBS's latest Basel III monitoring exercise, based on data as of 30 June 2019. The report sets out the impact of the [Basel III](#) framework that was initially agreed in 2010 as well as the effects of the BCBS's December 2017 [finalisation of the Basel III](#) reforms and the finalisation of the [market risk framework](#) published in January 2019. Given the June 2019 reporting date, the results do not reflect the economic impact of the coronavirus disease (COVID-19) on participating banks. Nevertheless, the committee believes that the information contained in the report will provide relevant stakeholders with a useful benchmark for analysis.

European Securities and Markets Authority (ESMA)

ESMA publishes 24th extract from its database of enforcement decisions on financial statements (the EECS database)

On 2 April, ESMA published a [report containing its 24th Extract from the EECS's Database of Enforcement](#). The extract includes eight decisions taken by European enforcers in the period between May 2018 and October 2019. The decisions cover a number of topics, including identification of performance obligations, liquidity risk of notes with an early redemption option and deferred tax assets related to a change in accounting policy due to first application of IFRS 9. Providing this information contributes to a consistent application of IFRS across the European Economic Area.

International Capital Markets Association (ICMA)

ICMA publishes an in-depth report on consolidated tape (CT) for greater post-trade transparency in the EU bond markets

On 28 April, ICMA published [EU Consolidated tape for bond markets – final report for the EC](#). The report addresses considerations surrounding the establishment of an EU CT for bond markets. This report was produced in response to a request from the EC's DG-FISMA for a bespoke study assessing the feasibility of implementing a consolidated tape for EU post-trade raw bond data.

Crisis Management

See section on “COVID-19 special measures”

Normative documents

No relevant texts.

Consultative documents

No relevant texts.

Market Stability & Financial Markets Infrastructure

Normative documents

No relevant texts.

Consultative documents

European Commission (EC)

Consultation on a retail payments strategy for the EU

On 3 April, the EC launched a [public consultation](#) on a retail payments strategy for the EU. Together with the consultation on a new digital finance strategy, this consultation seeks feedback for the forthcoming retail payments strategy for the EU to be adopted later this year. The aim is to create an innovative, integrated and competitive retail payments sector for European consumers, which can also be used globally. The consultation will run until 29 May 2020.

European Banking Authority (EBA)

Update of list of risk indicators, International Monetary Fund (IMF) Financial Soundness Indicators (FSIs) mapping and respective guides

On 20 April, the EBA published an [updated guide](#) on how to report the IMF-FSIs and a [revised methodological guide](#) on how to compile risk indicators and detailed risk analysis tools. FSIs provide insight into the financial health and soundness of countries' financial institutions as well as corporate and household sectors, thus supporting the economic and financial stability analysis.

European Securities and Markets Authority (ESMA)

Consultation on clearing solutions for pension scheme arrangements (PSAs) under EMIR

On 2 April, ESMA launched a [public consultation](#) on a range of issues regarding potential central clearing solutions for PSAs under EMIR. The consultation aims to gather views and data on potential central clearing solutions for PSAs, and more specifically on solutions to facilitate PSAs discharging their variation margin requirements. It is based on ESMA's [first report](#) to the European Commission documenting the progress made to date towards potential clearing solutions for PSAs. The consultation will run until 15 June 2020, with ESMA intending to publish a second report and to submit it to the European Commission by the end of the year.

ESMA publishes annual bond transparency calculations, systematic internalisers calculations and new bond liquidity data

On 30 April, ESMA [made available, under MiFID II and MiFIR](#):

- the annual transparency calculations of the large in scale and size specific to the instruments thresholds for bonds;
- systematic internaliser calculations for equity, equity-like instruments and bonds; and
- new data for bonds subject to the pre- and post-trade requirements of MiFID II and MiFIR.

International Capital Market Association (ICMA)

2020 legal opinions on Global Master Repurchase Agreement (GMRA)

On 16 April, the ICMA published the [2020 ICMA GMRA legal opinions](#) which support the GMRA, the standard agreement for international repo transactions, including a new opinion for Argentina.

Update of Securities Financing Transactions Regulation (SFTR) reporting recommendations

On 22 April, the ICMA published an [updated version](#) of the ICMA recommendations for reporting under SFTR. This updated version includes relevant updates, including to reflect the recently granted 3-month delay to the first phase of the SFTR go-live as well as the forbearance on backloading. The updated version also covers a number of new questions, as well as additions and revisions to existing recommendations covered in the guide.

European Payments Council (EPC)

New version of clarification paper on SEPA Credit Transfer (SCT) and SEPA Instant Credit Transfer (SCT Inst)

On 9 April, the EPC published an [update](#) of the clarification paper on SCT and SCT Inst rulebooks. The clarification paper applies to the current applicable 2019 SCT and SCT Inst rulebooks and provides guidance and, where feasible, recommendations to scheme participants on how to handle situations that are not described in the rulebooks. It addresses operational aspects related to these rulebooks and seeks to ensure consistent implementation of the two rulebooks by payment service providers participating in the schemes.

Regulatory Perimeter

See section on “COVID-19 special measures”

Normative documents

No relevant texts.

Consultative documents

No relevant texts.

Technology & Innovation

Normative documents

No relevant texts.

Consultative documents

European Commission (EC)

Consultation on new digital finance strategy/Fintech action plan

On 3 April, the EC launched a [consultation](#) on a new digital finance strategy for Europe / FinTech action plan. The consultation seeks views on the possible measures needed to further enable innovative digital financial services in the EU, while considering possible competition issues with BigTech companies. The consultation will run until 29 May 2020. It will feed into the Commission's new digital finance strategy, which will be presented later this year.

Financial Stability Board (FSB)

Consultation on recommendations for global stablecoin arrangements

On 14 April, the FSB published for public consultation [recommendations](#) to address the regulatory, supervisory and oversight challenges raised by global stablecoin arrangements. The recommendations respond to a call by the G20 to examine regulatory issues raised by global stablecoin arrangements and to advise on multilateral responses as appropriate, taking into account the perspective of emerging market and developing economies. They build on a comprehensive stocktake of FSB and non-FSB jurisdictions' existing regulatory, supervisory and oversight approaches. The consultation will run 15 July 2020. The final recommendations, taking on board feedback from the consultation, will be published in October 2020.

Bank for International Settlements (BIS) – Irving Fisher Committee (IFC)

Report on computing platforms for big data analytics and artificial intelligence

On 1 April, the BIS – IFC published a [report](#) on computing platforms for big data analytics and artificial intelligence. This report discusses the numerous initiatives launched by public authorities (especially big data platforms), the options available and their implementation.

International Capital Market Association (ICMA)

Repo trading technology directory

On 2 April, the ICMA published a [directory](#) of electronic repo trading platforms. The directory is intended to help market participants understand what execution venues are available for repo trading (D2D or D2C, for instance), product scope, as well as differences in trading protocols, clearing and collateral configurations. The directory also provides information on the venues' regulatory status, market identifier codes (MIC) and additional services on offer such as regulatory reporting under the Securities Financing Transactions Regulation.

Supervision

Normative documents

European Central Bank (ECB)

ECB guideline on the recording of certain data by national competent authorities in the Register of Institutions and Affiliates Data.

On 6 April, the [guideline \(EU\) 2020/497 of the ECB of 20 March 2020 on the recording of certain data by national competent authorities in the Register of Institutions and Affiliates Data \(RIAD\)](#) was published in the Official Journal of the European Union (OJ). This guideline establishes the obligations of national competent authorities (NCAs) with respect to the recording, maintenance and quality management of reference data in the RIAD for the purposes of supervisory tasks. This guideline also establishes the responsibilities of NCAs to liaise with the national central Banks of their participating Member States for recording reference data and entities in RIAD.

The guideline shall take effect on the day of its notification to the NCAs. The NCAs shall comply with this guidelines from 31 March 2020.

ECB Regulation of 9 April 2020 amending Regulation (EU) 2015/534 on reporting of supervisory financial information

On 14 April, the ECB published its [draft Regulation amending Regulation \(EU\) 2015/534 on reporting of supervisory financial information \(ECB/2020/22\)](#). Regulation (EU) 2015/534 (ECB/2015/13) requires supervised entities to report supervisory financial information based on the templates developed by the European Banking Authority and laid down by Commission Implementing Regulation (EU) No 680/2014. Implementing Regulation (EU) No 680/2014 has recently been amended, resulting in changes to the templates and instructions regarding the reporting of supervisory financial information.

This Regulation will enter into force on the twentieth day following that of its publication In the OJ and will apply from 1 June 2020.

Consultative documents

European Securities and Markets Authority (ESMA)

ESMA publishes report on the enforcement and regulatory activities of European enforcers in 2019

On 2 April, ESMA published its [report on the enforcement and regulatory activities of European enforcers in 2019](#) within the context of corporate reporting within the European Economic Area (EEA). The report presents the 2019 activities of ESMA and of European accounting enforcers when examining compliance of financial and non-financial statements provided by European issuers.

ESMA updates public statement of consultation practices

On 3 April, ESMA has updated its [public statement of consultation practices](#) to take account of the amendments which the European Supervisory Authorities review has made to the ESMA Regulation.

ESMA issues public statement to promote coordinated action regarding benchmarks external audit requirements

On 9 April, ESMA issued its [public statement](#) to promoted coordinated action by NCAs to promote coordinated action by NCAs regarding the timeliness of fulfilling external audit requirements for interest rate benchmark administrators and contributors to interest rate benchmarks.

European Insurance and Occupational Pensions Authority (EIOPA)

EIOPA publishes cost and past performance 2020 report

On 6 April, EIOPA published its [cost and past performance 2020 report](#) studying the impact of market volatility and costs on the returns for different product types. The aim is to report on the costs bore and past performance achieved by European consumers between 2014 and 2018. The report aims at facilitating increased participation of retail investors in capital markets by providing consistent EU-wide information on cost and past performance of retail investment products. It also demonstrates the relevance of disclosure of costs to consumers as required by PRIIPs regulation. The analysis documents that costs continue to have a significant impact on net returns and that given their nature, unit-linked products can offer high returns but also pose risks for consumers during

periods of poor market returns. Overall costs remain high. Profit participation products continue having lower costs than unit-linked products confirming the trend observed in the previous edition of the report.



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