

Deloitte. REGULATORY AGENDA – TOP PRIORITIES 2022

CAPITAL MARKETS UNION REFORM

SCOPE

- Financial market participants → Credit institutions
- AIFM, UCITS → Investment firms and insurers

CONTENT

The end of 2021 marked the beginning of a significant regulatory consultation process in the financial market with the release of the Capital Markets Union (CMU) reform package. It delivers four long-awaited legislative proposals to improve access to EU financial markets and trading data: AIFMD II/UCITS VI, ELTIF II, MiFID III/MiFIR II and ESAP, one year after the 2020 CMU action plan was adopted. All elements of the legislative package will be discussed by the European Parliament and the Council, with a target publication date in the Official Journal of the EU at the end of 2023/early 2024.

BANKING PACKAGE

SCOPE

- Credit institutions

CONTENT

On 27 October 2021, the European Commission released a banking package to amend the current Capital Requirements Directive and Regulation (CRD/CRR) to version VI and III, respectively. Both texts and potential follow-ups through delegated acts apply the Basel Committee's decision, known as the Basel III finalization, to the EU level. These different texts should apply progressively from 2025. They notably introduce an "output floor" concept as well as ESG considerations and fit and proper assessments which will affect concerned credit institutions.

AML/CFT PACKAGE

SCOPE

- All financial market participants

CONTENT

In July 2021, the European Commission presented an anti-money laundering and counter-terrorism financing package that included four legislative proposals. This AML package aims to harmonize each Member State's AML/CTF measures by transforming the current AML Directive into a regulation, as well as considering new digital technologies. The new regulation and the AML IV Directive are only expected to apply from 2026. A key feature is the creation of the new European AML Authority (AMLA), which needs to be up and running to prepare the EU's single rulebook on regulatory technical standards and ensure the direct supervision of some high risk institutions.

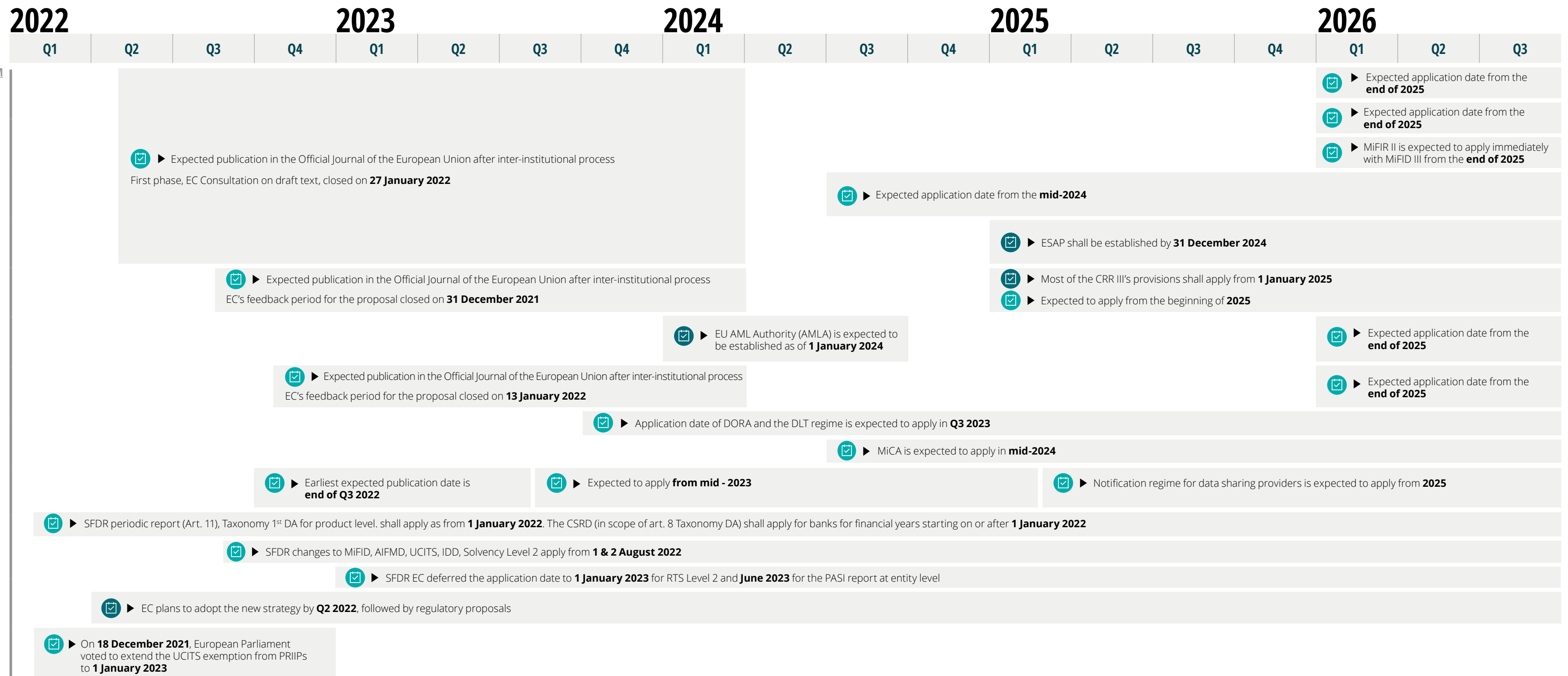
SOLVENCY III

SCOPE

- (Re)insurers

CONTENT

In December 2021, the European Commission adopted a comprehensive review package of the Solvency II rules. In addition to ensuring the regime is fit for purpose in the current economic environment and making the insurance sector more resilient, the review also aims "to ensure that insurers and reinsurers in the EU keep investing and support the political priorities of the EU," in line with the CMU agenda. These new measures will significantly impact insurers and reinsurers, especially through their solvency ratios, both on their capital charge and the own funds' valuation.



☑ Agenda confirmed ☑ Expected

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REGULATORY WATCH