

Newsletter

ESAs report on breaches of AML/CFT rules

The three European Supervisory Authorities, namely the EBA, EIOPA and ESMA (collectively ESA), have issued their joint report on the withdrawal of authorisation for serious breaches of Anti-money laundering/Counter finance terrorism (AML/CFT) rules. The report advocates for licenses to be revoked for serious breaches of AML/CFT rules. However, this will largely be a last resort measure, subject to a discretionary and proportionality assessment. In addition, before authorisation or registration is granted an assessments by authorities to ensure AML/CFT compliance is required. As such, cooperation and information exchange between prudential supervisors and AML/CFT supervisors is a necessity.

Find out more:
[ESAs Joint Report](#)

EU releases draft report on Basel III rules

A draft report has been published which represents the European Commission's legislative proposal on the implementation of Basel III in the European Union. The report did not include any proposals aimed at providing administrative regulatory relief for small and medium-sized banks, but instead have complex and detailed requirements. There is likely to be a significant impact on banks networks, as the envisaged rule that banks use their own rating systems will no longer be able to give a zero risk-weighting to exposures within the network.

Find out more:
[Draft Report for Basel III](#)

PRA Head Sam Woods on climate capital

Sam Woods, the Head of the Prudential Regulation Authority (PRA) outlined the role of prudential policy on climate change. To aid UK's effort to get to Net Zero, Mr. Woods states that prudential policy should focus on maintaining financial stability so that societies will be able to invest in new eco-friendly technologies. Mr Woods admits that climate change will inevitably drive losses for banks and insurers, however he notes that the PRA-regulated institutions must have the resilience to keep serving the real economy. To help address capability gaps, a climate biennial exploratory scenario (CBES) will be carried out by the PRA in order to help manage climate risks.

Find out more:
[Climate Capital Speech](#)

EBA releases new phase for reporting framework

The European Banking Authority (EBA) has published its phase 2 of version 3.2 of its reporting framework. The updated technical package supports the amendments to supervisory benchmarking and resolution reporting. In addition, technical amendments to the minimum requirement for own funds and eligible liabilities (MREL) and funding plans reporting were made. The package provides standard specifications and includes the validation rules, the Data Point Model (DPM) and the XBRL taxonomies for version 3.2.

Find out more:
[EBAs Phase 2](#)