

# Key regulatory developments in the EU

February 26, 2021

Source/Date	Brief description
EBA 19/02/2021	<p><b>EBA publishes final draft technical standards on indirect exposures arising from derivatives underlying a debt or equity instrument</b></p> <p>The European Banking Authority published final draft regulatory technical standards (RTS) specifying how institutions should determine exposures arising from derivative and credit derivative contracts not entered directly into with a client, but whose underlying debt or equity instrument was issued by a client. These draft RTS will ensure appropriate levels of consistency through different pieces of the regulatory framework for the calculation of large exposures.</p> <p>For further information click <a href="#">here</a>.</p>
EIOPA 19/02/2021	<p><b>Business model sustainability and adequate product design identified as new strategic supervisory priorities for national supervisors</b></p> <p>The European Insurance and Occupational Pensions Authority (EIOPA) identified business model sustainability and adequate product design as two Union-wide strategic supervisory priorities relevant for national competent authorities (NCAs).</p> <p>For further information click <a href="#">here</a>.</p>
EBA 18/02/2021	<p><b>EBA publishes final draft technical standards on disclosure of indicators of global systemic importance by G-SIIs</b></p> <p>The European Banking Authority published final draft Implementing Technical Standards (ITS) on the disclosure of indicators of global systemically important institutions (G-SIIs). These standards help to identify which banks are GSIIIs and specify the formats and instructions, in accordance with which G-SIIs disclose the information required under the Capital Requirements Regulation (CRR). They aim at ensuring consistency of information.</p> <p>For further information click <a href="#">here</a>.</p>
ECB 18/02/2021	<p><b>ECB publishes its financial statements for 2020</b></p> <p>The European Central Bank's (ECB's) audited financial statements for 2020 show that the profit for the year was €1,643 million (2019: €2,366 million).</p> <p>For further information click <a href="#">here</a>.</p>

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EBA 17/02/2021	<p><b>EBA consults on guidance to assess breaches of the large exposure limits</b></p> <p>The European Banking Authority launched a consultation on the criteria that competent authorities should use to assess a breach of the large exposure limits. The consultation paper also details the criteria to determine the period of time and the measures for institutions to return to compliance with those limits. The consultation runs until 17 May 2021.</p> <p>For further information click here.</p>
EBA 11/02/2021	<p><b>EBA launches public consultation on the draft technical standards on supervisory disclosure under the Investment Firms Directive</b></p> <p>The European Banking Authority launched a public consultation on its draft Implementing Technical Standards (ITS) on the new prudential requirements that competent authorities will be required to disclose publicly for all types of investment firms authorized under the Markets in Financial Instruments Directive (MiFID). The draft ITS, which are part of the phase 2 mandates of the EBA Roadmap on investment firms, aim at ensuring that the disclosed information is comprehensive and comparable across all Member States. The consultation runs until 11 May 2021.</p> <p>For further information click here.</p>
ECB 04/02/2021	<p><b>Eurosystem agrees on common stance for climate change-related sustainable investments in non-monetary policy portfolios</b></p> <p>The Eurosystem central banks – the 19 national central banks of the euro area countries and the European Central Bank (ECB) – have defined a common stance for applying sustainable and responsible investment principles in the euro-denominated non-monetary policy portfolios that they each manage under their own responsibility.</p> <p>For further information click here.</p>
ECB 04/02/2021	<p><b>ECB extends bilateral euro liquidity lines with non-euro area central banks</b></p> <p>The European Central Bank (ECB) decided in December 2020 to offer a nine-month extension of its temporary swap and repo lines with non-euro area central banks. The central banks of Albania, Croatia, Hungary, the Republic of North Macedonia, Romania, San Marino and Serbia have agreed to extend the duration of their euro liquidity lines with the ECB to March 2022.</p> <p>For further information click here.</p>
EIOPA 04/02/2021	<p><b>The three European Supervisory Authorities publish Final Report and draft RTS on disclosures under SFDR</b></p> <p>The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) has delivered to the European Commission (EC) its Final Report, including the draft Regulatory Technical Standards (RTS), on the content, methodologies and presentation of disclosures under the EU Regulation on sustainability-related disclosures in the financial services sector (SFDR).</p> <p>For further information click here.</p>

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EIOPA 03/02/2021	<p><b>EIOPA's Board of Supervisors agrees on changes to the PRIIPs key information document</b></p> <p>The European Supervisory Authorities - ESAs (the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority) have submitted to the European Commission the draft Regulatory Technical Standards (RTS) on amendments to the key information document for packaged retail and insurance-based investment products (PRIIPs).</p> <p>For further information click <a href="#">here</a>.</p>
EBA 29/01/2021	<p><b>EBA launches 2021 EU-wide stress test exercise</b></p> <p>The European Banking Authority launched the 2021 EU-wide stress test and released the macroeconomic scenarios. Following the postponement of the 2020 exercise due to the COVID-19 pandemic, this year's EU-wide stress test will provide valuable input for assessing the resilience of the European banking sector. Accordingly, the adverse scenario is based on a narrative of a prolonged COVID-19 scenario in a 'lower for longer' interest rate environment, in which negative confidence shocks would prolong the economic contraction. The EBA expects to publish the results of the exercise by 31 July 2021.</p> <p>For further information click <a href="#">here</a>.</p>
EBA 21/01/2021	<p><b>EBA publishes final draft technical standards to identify investment firms' risk takers and to specify the instruments used for the purposes of variable remuneration</b></p> <p>The European Banking Authority published two final draft Regulatory Technical Standards (RTS) on:</p> <ol style="list-style-type: none"> <li>1. The criteria to identify all categories of staff whose professional activities have a material impact on the investment firm's risk profile or asset it manages ('risk takers')</li> <li>2. The classes of instruments that adequately reflect the credit quality of the investment firm and possible alternative arrangements that are appropriate to be used for the purposes of variable remuneration.</li> </ol> <p>The objective of these RTS is to define and harmonize the criteria for the identification of such staff and the use of instruments or alternative arrangements for the purposes of variable remuneration so as to ensure a consistent approach across the EU.</p> <p>For further information click <a href="#">here</a>.</p>

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