

Regulatory update Banking, finance and insurance

n. 538 / 2024

Banks, Investment Firms, Asset Managers
and non-bank financial institutions

I. European regulation

- ✓ **MiCAR**: EBA publishes a Final Report package regarding governance, remuneration and conflicts of interests
- ✓ **CRR**: EBA consults on a draft RTS framework for the operational risk loss
- ✓ **CSP**: ECB consults on Guide on outsourcing cloud services

Insurance companies

II. Italian regulation

- ✓ **AML**: IVASS publishes Provision 144/2024

Banks, Investment Firms, Asset Managers and non-bank financial institutions

I. European regulation

✓ **MiCAR: EBA PUBLISHES A FINAL REPORT PACKAGE REGARDING GOVERNANCE, REMUNERATION AND CONFLICTS OF INTERESTS**

On 6 June 2024, EBA published three Final Reports including:

- [Guidelines](#) on the minimum content of the governance arrangements for issuers of asset referenced tokens (ARTs) that specify further the various governance provisions in MiCAR, taking into account the principle of proportionality. In addition, the Guidelines clarify the tasks, responsibilities and organisation of the management body, and the organisational arrangements of issuers, including the sound management of risks across all the three lines of defence;
- [Final draft Regulatory Technical Standards \(RTS\)](#) on the minimum content of the governance arrangements on the remuneration policy. The RTS set out a framework similar to the remuneration framework for investment firms that aims at achieving the same regulatory objectives.
- [Final draft RTS](#) on conflicts of interest for issuers of ARTs that specify the requirements for policies and procedures on conflicts of interest (CoI). Issuers of ARTs shall implement and maintain effective policies and procedures to identify, prevent, manage and disclose conflicts of interest. For CoI to be effectively managed, the policies and procedures should ensure that there are sufficient resources available for their management.

✓ **CRR: EBA CONSULTS ON A DRAFT RTS FRAMEWORK FOR THE OPERATIONAL RISK LOSS**

On 6 June 2024, EBA published a [consultation paper](#) of draft regulatory technical standards (RTS):

- on establishing a risk taxonomy on operational risk that complies with international standards and a methodology to classify the loss events included in the loss data set based on that risk taxonomy on operational risk under Article 317(9) of Regulation (EU) 575/2013 (CRR);
- on specifying the condition of 'unduly burdensome' for the calculation of the annual operational risk loss under Article 316(3) of CRR;
- on specifying how institutions shall determine the adjustments to their loss data set following the inclusion of losses from merged or acquired entities or activities under Article 321(2) of CRR.

The deadline to submit comments or observation is established on 6 September 2024.

✓ **CSP: ECB CONSULTS ON GUIDE ON OUTSOURCING CLOUD SERVICES**

On 3 June 2024, ECB published for [consultation](#) the draft of its new Guide on outsourcing cloud serviced to cloud service providers (CSP).

The Guide aims to clarify, for banks subject to ECB supervision, the interpretation given to regulatory requirements on the topic and the Authority's expectations. In addition, the Guide



indicates some risks and best practices, outlining the Authority's interpretation and expectations on the specific relevant requirements dictated by DORA and on the topic of ICT risk management.

The deadline to submit comments or observation is established on 15 July 2024.

Insurance companies

II. Italian regulation

✓ [AML: IVASS PUBLISHES PROVISION 144/2024](#)

On 4 June 2024, IVASS published [Provision 144/2024](#) on amendments and additions to IVASS Regulation No. 44 of 12 February 2019 on implementing provisions aimed at preventing the use of insurance undertakings and insurance intermediaries for the purposes of money laundering and terrorist financing with regard to organisation, procedures and internal controls and customer due diligence, pursuant to Article 7(1)(a) of Legislative Decree 231/2007.

The most significant amendments to IVASS Regulation No. 44/2019 made by the Provision regarding AML are the following:

- the introduction of the role of member of the Board of Directors responsible for the AML and the definition of its role;
- with regard to the AML function in respect of which
 - rules have been introduced governing the relationship between the holder of the AML function and the member of the Board of Directors responsible for the AML;
 - a requirement has been introduced to consult the AML function in cases where the opening or continuation of an ongoing relationship with a high-risk customer is subject by law to the approval of a senior manager;
- with regard to outsourcing relating to the AML function, the same may only relate to the tasks of the AML function, while the person in charge of the function must be identified internally within the company and perform the tasks of monitoring and controlling the outsourced activities;
- with regard to Groups:
 - a member of the Board of Directors responsible for group AML must be identified from among the members of the body with management function of the last Italian parent company;
 - his tasks will have to be specified, and necessarily include:
 - coordination between the AML functions of the individual group components;
 - the drafting of a group-wide risk self-assessment and the submission of an annual report to the bodies of the last Italian parent company
 - the development of group-wide procedures, standards and methodologies;
 - group-wide control procedures are to be defined.

The Provision will enter into force on the day following its publication in the Official Journal.