

Regulatory update

Banking, finance and insurance

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Banks, Investment Firms, Asset Manager,
Non-bank Financial Institutions

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I. Italian regulation

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

I. European regulation

✓ SFDR: ESMA'S OPINION ON THE SUSTAINABLE FINANCE REGULATORY FRAMEWORK

On 24 July 2024, ESMA published an [Opinion on the Sustainable Finance Regulatory Framework](#) ("SFRF"), setting out possible long-term improvements.

ESMA, in its Opinion, acknowledges that the EU Sustainable Finance Framework is already well developed and includes safeguards against greenwashing. At the same time, ESMA considers that, in the longer-term, the Framework could further evolve to facilitate investors' access to sustainable investments and support the effective functioning of the Sustainable Investment Value Chain.

In this regard, it makes the following recommendations for consideration by the European Commission:

- the EU Taxonomy should become the sole, common reference point for the assessment of sustainability and should be embedded in all Sustainable Finance legislation;
- the EU Taxonomy should be completed for all activities that can substantially contribute to environmental sustainability and a social taxonomy developed;
- a definition of transition investments should be incorporated into the Framework to provide legal clarity and support the creation of transition-related products;
- all financial products should disclose some minimum basic sustainability information, covering environmental and social characteristics;
- a product categorisation system should be introduced catering to sustainability and transition, based on a set of clear eligibility criteria and binding transparency obligations;
- ESG data products should be brought into the regulatory perimeter, the consistency of ESG metrics continue to be improved, reliability of estimates ensured; and
- consumer and industry testing should be carried out before implementing policy solutions to ensure their feasibility and appropriateness for retail investors.

✓ SFDR: PUBLISHED A CONSOLIDATED Q&A PAPER

On July 25, 2024, ESMA published a [consolidated paper of Q&A](#) containing answers provided by the European Commission to questions requesting interpretation of European Union law and by the European Supervisory Authorities (ESAs) regarding the application of Regulation (EU) 2019/2088 (SFDR) and its delegated acts.

✓ DORA: PUBLISHED A FINAL REPORT ON DRAFT RTS

On 26 July 2024, the European Supervisory Authorities (EBA, ESMA and EIOPA - ESAs) published an [Final Report](#) on Draft Regulatory Technical Standards (RTS) to specify the elements which a financial entity needs to determine and assess when subcontracting

Information and Communication Technologies (ICT) services supporting critical or important functions, pursuant to Article 30(5) of Regulation (UE) 2022/2554 (DORA Regulation).

✓ CSD II: EBA EXTENDS TO CREDIT SERVICERS ITS GUIDELINES AMENDING JOINT COMMITTEE GUIDELINES ON COMPLAINTS HANDLING

On 24 July 2024, EBA published a [Final Report](#) on EBA Guidelines amending Joint Committee Guidelines on complaints handling for the securities (ESMA) and banking (EBA) sectors, which extends the same to credit servicers under Directive (EU) 2021/2167 (CSD II).

The Guidelines cover the complaints management policy, the complaints management function, the registration of complaints, the reporting to the competent authorities or ombudsman, the internal follow-up, the provision of information to the complainant, and the procedures for responding to complaints (e.g. investigation of the complaint, communication of the decision and delay to do so).

II. Italian regulation

✓ CIRCULAR 285: BANK OF ITALY PUBLISHES THE FORTY-NINTH UPDATE

On 24 July 2024, the Bank of Italy published the [forty-ninth update](#) of Circular No. 285 of 17 December 2013 (Circular 285), containing amendments to the rules on capital reserves.

In particular, Circular No. 285 has been amended to integrate, for reconnaissance purposes, the existing provisions with the regulatory references introduced by EU Regulation 2019/876 (CRR2), which require global systemically important banks to maintain a buffer for the leverage ratio, and to transpose the provisions of EU Directive 2019/878 (CRD V) on limits to capital distribution, similarly to what is already in place today for the combined capital buffer requirement, according to the calculation methods provided for by the regulation. Finally, the requirement to prepare a capital conservation plan has been extended also in the case of non-compliance with the leverage ratio reserve.



Insurance companies

III. Italian regulation

- ✓ REGULATION (EU) N. 269/2014: IVASS PUBLISHES A LETTER TO THE MARKET

On 26 July 2024, IVASS published a [letter to the market](#) regarding the obligations incumbent on insurance undertakings and insurance intermediaries under Regulation (EU) No 269/2014 and, in general, under the 'EU regulations' as defined in Article 1(1)(h) of Legislative Decree No 109/2007.

In the letter, IVASS reminds insurance companies and insurance intermediaries of their obligations under the regulation on the freezing of funds.