7

THE BANCO DE ESPAÑA'S PARTICIPATION IN INTERNATIONAL BANKING REGULATION AND SUPERVISION BODIES

THE BANCO DE ESPAÑA'S PARTICIPATION IN INTERNATIONAL BANKING REGULATION AND SUPERVISION BODIES

Participating in international banking regulation and supervision fora is a strategic priority for the Banco de España. In an environment in which banks provide their services in multiple jurisdictions, it is these international and European fora that determine the financial system's regulatory and supervisory standards. It is therefore of vital importance to retain and enhance the capacity to influence the debates that lead to the adoption of such policies.

7.1 Global fora

7.1.1 Financial Stability Board

The year 2019 marked the tenth anniversary of the FSB's creation. Having focused on developing and coordinating the post-crisis reforms, the FSB is now addressing their implementation, assessing their effects and identifying emerging risks.

The FSB continued to assess the effects of reforms. It completed its analysis of the effects of the reforms on SME lending, concluding that, overall, no material adverse effects were identified and that lending is determined by public policies to address the limitations on SME lending and by macroeconomic conditions, rather than by regulations. An assessment of the reforms to end too-big-to-fail was launched in 2019. The report will be published in June 2020. The final version will be published at the end of the year.

The FSB also focused on identifying and overseeing emerging risks. It published *FinTech and market structure in financial services,* and announced that it will continue to analyse the potential implications of BigTech's entry into finance and the implications stemming from third-party dependencies in cloud services. It will also coordinate its work with other international bodies in the areas of big data, artificial intelligence and machine learning. As regards crypto-assets, it published a crypto-assets regulators directory and announced that it will analyse the regulatory issues of stablecoins in 2020. The FSB is also developing a toolkit of effective practices to respond to, and recover from, cyber incidents. It is aimed at financial institutions, supervisors and other authorities.

The FSB published the second status report on the implementation of recommendations for climate-related financial disclosures by companies. The report concluded that, while disclosures have increased since 2016, they remain far from the scale investors need to make decisions.

The FSB also continued to pursue the priority areas of the G-20 reform agenda still pending. It published the *Eighth Report on the Implementation of Resolution Reforms and the Review of the Technical Implementation of the Total Loss Absorbing Capacity (TLAC) Standard.*[1] The FSB published the ninth edition of its *Global Monitoring Report on Non-Bank Financial Intermediation.* It also analysed the vulnerabilities associated with the growth and development of leveraged loans and collateralised loan obligations (CLO) markets, concluding that banks have the largest direct exposures, which are concentrated among a limited number of large global banks.

Lastly, in response to a proposal by the Japanese G20 Presidency, the FSB published a report on potential regulatory-driven market fragmentation. The report identified certain areas, such as communication and information sharing, where the FSB recommends bolstering cooperation to mitigate the adverse effects of fragmentation.

7.1.2 Basel Committee on Banking Supervision

In 2019 the Group of Central Bank Governors and Heads of Supervision (GHOS) appointed Pablo Hernández de Cos, Governor of the Banco de España, as the new Chairman of the Basel Committee on Banking Supervision (see Box 7.1).

In 2019 the Committee continued to pursue various regulatory initiatives, e.g. the review of the credit valuation adjustment (CVA)[2] framework. It published a consultative document that, broadly speaking, included the possibility of specific adjustments to align this framework with the amendments approved in January 2019 on the treatment of market risk, since the two frameworks have certain elements in common.

In 2019 the BCBS published *Revisions to leverage ratio disclosure requirements,* which sought to address concerns the Committee had already voiced in a newsletter in October 2018 regarding potential regulatory arbitrage by banks around reference dates to improve their leverage ratio (“window-dressing”). Under the revised framework, internationally active banks must disclose leverage ratios calculated using the amounts of repo and securities lending and borrowing, considered most susceptible to window-dressing, based on an average of daily values over the quarter (in addition to continuing to publish the ratio based on quarter-end values). The approximate change in the ratio over the quarter is thus obtained.

1 The TLAC requirement for global systemically important banks is designed to ensure that they have the loss-absorbing and recapitalisation capacity needed to implement an orderly resolution that minimises the impact on financial stability, ensures the continuity of critical functions and avoids exposing public funds to loss.

2 The CVA capital requirement covers possible mark-to-market losses on derivative instruments as a result of a deterioration in the creditworthiness of a counterparty.

Box 7.1

CHAIRMANSHIP OF THE BASEL COMMITTEE ON BANKING SUPERVISION

In March 2019 the Group of Central Bank Governors and Heads of Supervision (GHOS), the oversight body of the BCBS, appointed Pablo Hernández de Cos, Governor of the Banco de España, as the new BCBS Chair. Under the Committee's Charter, the Chair is appointed for an initial term of three years, renewable once.

The appointment came at a very important time for the Committee. Following completion of the Basel III post-crisis reforms, it will now focus on assessing the impact of those reforms and their effective implementation, on addressing emerging vulnerabilities in the global banking system and on promoting rigorous supervision. In his speech on 17 October 2019, the Governor set out the following high-level principles intended to steer the work of the Committee:

Principle 1: Remembering the lessons of the past

There is a rich and deep history of banking crises that have had a profound impact on our economies and social welfare. And yet, the lessons from such crises are often forgotten. The Committee's work will be guided by a medium-term perspective and will avoid the temptation of falling into a regulatory cycle. It intends to prevent key reforms from being abandoned due to vested interests or a false sense of security. To do so, the Committee will rely on three key measures:

— Strengthening the regulation, supervision and practices of banks worldwide with the purpose of enhancing financial stability.

— Continuing its Regulatory Consistency Assessment Programme to promote full, timely and consistent implementation of its reforms.

— Policy work being anchored by rigorous empirical analysis, including a comprehensive evaluation work programme.

Principle 2: Global engagement and transparency

The Committee will engage transparently with all stakeholders, including academics, analysts, central banks and supervisory authorities, international organisations and the general public, seeking their views on the relevant aspects of the Committee's work. Banking crises affect all of society, so it is important that society as a whole can provide input into the work of the Committee.[1]

Principle 3: A disciplined focus on global financial stability issues

The Committee will continue to focus its work on those areas that require a global and coordinated response. This is how it complements the work of its individual members. Global standards provide a common baseline across jurisdictions, which are free to adopt additional measures if the size and structure of their financial systems and the associated risks warrant additional measures.

Principle 4: Adopting a forward-looking approach

The financial system is constantly evolving; financial innovation and changes to the structure of the financial system are developing rapidly. Some of these changes may contribute positively to financial stability, while others may be more dubious in nature. In the face of such developments, regulation and supervision must keep pace. Put simply: standing still means going backwards.

Banks are currently facing various conjunctural risks, including very low or negative interest rates, and increasing corporate and government debt levels. In addition, there are structural risks such as cyber attacks, the growth of financial technology and crypto-assets, and the transition towards new benchmark rates. These examples underline the importance of the Committee continuously scanning the horizon, assessing emerging risks and vulnerabilities, and mitigating them.

The Governor of the Banco de España gave two further speeches as Chairman of the BCBS in which he stressed the importance of the programme for evaluating the reforms approved by the Committee[2] and analysed technology's growing role in the financial sector and its implications for banks and supervisors.[3]

---

1 https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/IntervencionesPublicas/Gobernador/Arc/Fic/hdc171019en.pdf.

2 *Post-Basel III: Time for evaluation,* https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/IntervencionesPublicas/Gobernador/Arc/Fic/hdc011019en.pdf.

3 *Financial technology: the 150-year revolution,* https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/IntervencionesPublicas/Gobernador/hdc191119.pdf.

Basel Committee on Banking Supervision, 30 October 2019. Imperial staircase.

This year the Committee also jointly published with the International Organisation of Securities Commissions (IOSCO) an amendment to the margin requirements for non-centrally cleared derivatives.[3]

As part of its ongoing work programme on evaluating and monitoring post-crisis reforms, the Committee issued a newsletter reiterating the importance of the capital buffer framework and emphasising that buffers were designed to be usable when necessary.

In 2019 the Committee continued its work on assessing the potential impact of FinTech on institutions and supervisors. In this connection, it published a report analysing the trends observed and the implications for institutions and supervisors of open banking and application programming interfaces.

As part of its goal to monitor and keep up-to-date regulations governing developments driven by new technologies, the Committee issued a newsletter reiterating the features and risk characteristics of crypto-assets, stressing their high degree of volatility, and setting out its supervisory expectations regarding the transactions banks can perform with these assets. The Committee also published a consultative document in which it invited comments on the various aspects of a prudential treatment for crypto-assets.

In connection with proportionality, the Committee published the results of a survey on the related practices in bank regulation and supervision in various jurisdictions. It

3 The main changes include extending the final implementation of the framework by one year (until 2021) and adding one new additional implementation phase, in which all entities exceeding a certain volume of trading with non-centrally cleared derivatives will be subject to the requirements.

also issued a joint statement with the Basel Consultative Group (BCG)[4] supporting application of the proportionality principle in a manner consistent with its Core Principles for Effective Banking Supervision.

In respect of disclosure requirements, the Committee published two consultative documents on the review of those relating to banks. The first document amended the market risk templates to align them with the reforms of this framework and introduced a new materiality threshold for disclosure of information by banks that use the internal models approach. The second document set out disclosure requirements for banks' sovereign exposures. Much of the information required in these templates is already published annually in the EBA's transparency exercise, which, in the case of Spanish banks, affects those considered to be significant institutions. Implementation of the sovereign debt disclosure requirements would be mandatory for banks only when required by national supervisors.

The Committee launched a consultation on the review of the AML/CTF guidelines published in 2014. The aim of this review is to strengthen interaction and cooperation between prudential and AML supervisors.

Among other developments concerning macroprudential-related areas, the Committee published *Towards a sectoral application of the countercyclical capital buffer* to support consistent implementation of this macroprudential tool across those jurisdictions opting for voluntary implementation.

7.2 European fora

7.2.1 European Banking Authority

The year 2019 was one of change for the EBA, with the selection of its new Chairman, the Spaniard José Manuel Campa; its relocation to Paris as a result of Brexit; and the review of the European supervisory framework, in which the governance, powers and functions of the ESAs were changed. The EBA continued to work intensely to achieve its goals and deliver its mandate. Its work in 2019 included most notably: the response to the Commission's call for advice on Basel III implementation; the continuation of the work stemming from the Council's Action Plan to Tackle Non-Performing Loans; and the work on consumer protection and financial innovation, payment services and sustainable finance.

4 The BCG is a global forum for discussion between supervisors in which members and non-members of the Basel Committee participate.

As mentioned above, in the prudential field the EBA responded to the Commission's call for advice on the implementation in Europe of the Basel III reforms of December 2017. In August 2019 the EBA published an estimated impact of an increase in capital requirements, in Tier-1 terms, of around 24.4% (€135.1 billion), with most of the impact occurring in large institutions. In December 2019 the EBA updated this analysis and included the new Fundamental Review of the Trading Book (FRTB)[5] issued in January 2019. The impact decreased to 23.6% (€124.8 billion). Alongside the impact analyses, the EBA published policy advice to ensure faithful transposition in Europe of the Basel III reforms in the following areas: credit risk, operational risk, new output floor applicable to the RWAs of institutions using internal models to calculate their capital requirements, market risk and CVAs. The EBA supplemented its analysis with a macroeconomic impact assessment showing that the long-term benefits, in terms of growth and stability, would outweigh the potential short-term costs.

The EBA also worked actively in line with several mandates to contribute to the revival of the securitisation market. The following is scheduled for completion in the first half of 2020: i) guidelines on the determination of the weighted average maturity of the contractual payments due under the tranche of a securitisation transaction, which will lead to this new parameter being calculated consistently across the EU; and ii) a report on the viability of a simple, transparent and standardised framework for synthetic securitisation. The EBA also resumed its work — initiated in 2017 — on significant risk transfer in securitisation. It aims to publish a report in 2020. Lastly, it issued an opinion on the identification of certain prudential constraints on non-performing exposure securitisations.

The EBA has continued to finalise work stemming from the European Council's 2017 Action Plan to tackle Non-Performing Loans and has centred on drawing up guidelines on loan origination and monitoring, and internal governance. Drafting of these guidelines, which cover both prudential and consumer protection matters, will foreseeably be complete in the first quarter of 2020.

The EBA is analysing the efficiency of Member State-level loan enforcement procedures in terms of recovery rates and times to recovery. The aim of the work, which is scheduled for completion in mid-2020, is for the European Commission to be able to identify, in a subsequent phase, the factors leading to the differences between these procedures in the various jurisdictions and achieve greater harmonisation.

Lastly, at end-2019 the EBA published a progress report on NPLs, the aim of which was to detail the related developments in the EU, particularly since the Council's aforementioned Action Plan. The report highlighted that the asset quality of

5 The FRTB is a set of proposals made by the BCBS to address shortcomings in the different approaches to calculating capital requirements for market risk.

European banks has improved significantly: as of June 2019, the weighted average NPL ratio stood at 3%, compared with 6% in June 2015. In the case of Spain, the NPL ratio stood at 3.5%, an improvement of more than 3.5 pp.

In the market conduct and consumer protection area, the EBA continued to focus its endeavours on achieving greater convergence of supervisory practices. Noteworthy in this area is, on the one hand, the work conducted to achieve a harmonised interpretation of the guidelines on product oversight and governance arrangements for retail banking products, and of the guidelines on remuneration policies and practices related to the sale and provision of retail banking products and services. And, on the other, the publication of an opinion, in the context of the review of the Distance Marketing of Financial Services Directive (2002/65/EC), with recommendations to ensure that disclosure requirements in EU law take account of the increasing use of digital marketing channels for financial services, in particular vis-à-vis the timing of disclosure and the presentation format.

In 2019 the EBA also strove to achieve appropriate implementation of Commission Delegated Regulation 2018/389, with regard to strong customer authentication and secure communication.

First, mention should be made of the creation of a working group to facilitate application of the aforementioned regulation vis-à-vis access by payment initiators and information aggregators to the online payment accounts that their users may have open at other ASPSPs.

Further, the EBA published two opinions on the authentication requirement. The first opinion clarified the elements of authentication and the combinations of those elements that would be PSD-2-compliant. The opinion also addressed the possibility of the NCAs establishing a period of supervisory flexibility as regards the implementation of such procedures in card-based e-commerce transactions. This flexibility is available under the condition that payment service providers agree with their respective NCAs a plan to migrate to PSD-2-compliant strong customer authentication solutions. The migration plans should be completed by 31 December 2020, in accordance with the second opinion.

Sustainable finance and the incorporation of ESG (environmental, social and governance) factors in legislation will be a key part of the EBA's work going forward. In 2019 it took the first steps. In February it established a network of national supervisors to work on, inter alia, the various mandates stemming from CRD V and CRR II. In order to organise and deliver the mandates, in December 2019 the EBA published its action plan on sustainable finance (see Box 7.2).

The EBA also worked on a report on undue short-term pressure from the financial sector on corporations. While no evidence was found of the current prudential

Box 7.2

SUSTAINABLE FINANCE: THE EBA'S ACTION PLAN AND EXPECTATIONS

Since 2015 greater impetus has been given to sustainable finance as a result of the conclusion of the Paris Agreement on climate change and the United Nations' 2030 Agenda for Sustainable Development.

The Paris Agreement was a milestone in the fight against climate change, since it established specific global goals for limiting global warming. It also underlined for the first time the importance of the financial system for efficiently channelling the necessary funds and steering the economy towards a sustainable model.

Efforts made subsequently in Europe resulted in the publication in March 2018 of the European Commission's Action Plan: Financing Sustainable Growth. One of the plan's aims is to manage financial risks stemming from climate change and environmental degradation. The plan lays the foundations for future work on the financial system. The ESAs will support implementation of the plan, which, together with the recently amended prudential regulations, conferred specific tasks on the ESAs.

The tasks entrusted to the EBA are included in its Action Plan on Sustainable Finance, published on 6 December 2019. The plan's basic premise, now acknowledged by the international financial community, is that the risks associated with climate change are a source of financial risk. These tasks, intended to monitor environmental, social and governance (ESG) risks, will contribute to the attainment of the following goals:

— Improve the current regulatory framework so that institutions pursue their operations in a sustainable manner and introduce sustainability considerations into their strategy and risk management.

— Provide supervisors with adequate tools to understand, monitor and assess ESG risks.

Results are expected to be published gradually up to 2025. However, the EBA called on institutions to start considering ESG risks immediately and to include them as soon as possible in:

i) Their strategy and risk management: the EBA encourages them to be proactive in the inclusion of ESG considerations in their business and risk management strategies. It also urges them to include these risks in their business plans, risk management, internal control framework and decision-making.

ii) Key metrics and disclosure: it supports institutions continuing with the work included in Directive 2014/95/EU, as regards disclosure of non-financial information, which prioritises the identification of simple metrics to provide transparency on the management of risks associated with climate change.

iii) Scenario analysis: the EBA encourages institutions to adopt scenarios related to climate change and to perform their own stress tests in order to understand the importance of the exposures affected by these risks.

framework resulting in undue short-termism, the report included a series of recommendations on ways to incentivise the adoption of long-term perspectives.

At the end of March 2019, the European Parliament and European Council reached an agreement on the review of the European supervisory framework, which was published in the *Official Journal of the European Union (OJEU)* on 27 December. The impact of this review will be seen in the coming years, above all in relation to AML/CTF, where the changes for the EBA are of greater significance.

In this area, a new internal committee was created, comprising senior officers from the authorities and bodies entrusted with overseeing compliance with AML/CTF legislation by all financial institutions. New powers have been conferred on the EBA, including: i) the creation of a centralised database for all information relevant to AML/CTF supervision; ii) the possible application by the EBA of national law in mediation or EU-law infringement proceedings; iii) oversight by the EBA of the research activities of the competent authorities; and iv) the development of risk assessments regarding strategies, capacities and resources of the competent authorities.

Outside AML/CTF, other changes should also be mentioned, such as the bigger role in the consumer protection area, the new supervisory convergence powers and the bolstering of pre-existing powers, the increased importance of the Chair and the new powers of the Management Board. That said, the Board of Supervisors remains the ultimate decision-making body.

7.2.2 European Systemic Risk Board

The ESRB is entrusted with macroprudential oversight of the EU's financial system. The ESRB, whose secretariat is based in Frankfurt, is structured as a forum of working groups. Governors of central banks, high-level representatives of the competent national supervisory authorities and EU bodies with responsibilities in this area sit on the ESRB's decision-making body (the General Board). The Banco de España has been a member of the ESRB since its establishment in 2011; the CNMV and the DGSFP are also members.

In June 2019 the ESRB's General Board elected Pablo Hernández de Cos, Governor of the Banco de España, as Chairman of the Advisory Technical Committee (ATC).[6] The ATC is a permanent structure advising and supporting the General Board of the ESRB in matters concerning: i) periodic analysis of the financial system's risks and vulnerabilities; ii) assessment of macroprudential policy decisions in EU Member States; iii) preparation of draft opinions, warnings and recommendations; iv) design of macroeconomic scenarios for stress tests coordinated by the EBA, the ESMA and the EIOPA; and v) preparation of the ESRB's (periodic and occasional) publications on various areas of analysis and macroprudential policy in the EU.

The ESRB published the findings of its analysis of the vulnerabilities in the residential real estate sectors of the EU/EEA countries.[7] The ESRB's work resulted in the issue of a series of warnings and recommendations to 11 European countries; Spain was not among them.[8] The ESRB also published a report detailing

---

6 See Banco de España press release "Pablo Hernández de Cos, new Chair of the Advisory Technical Committee of the European Systemic Risk Board", 4 July 2019.

7 ESRB, *Vulnerabilities in the residential real estate sectors of the EEA countries* and *Methodologies for the assessment of real estate vulnerabilities and macroprudential policies: residential real estate,* 23 September 2019.

8 Germany, France, Iceland, Norway and the Czech Republic (early warnings); Belgium, Denmark, Finland, Luxembourg, the Netherlands and Sweden (recommendations).

the methodological framework developed to analyse housing markets and evaluate the sufficiency and appropriateness of the macroprudential policies applied in each country.

The work to assess compliance with the ESRB Recommendation on guidance for setting countercyclical buffer rates was also completed in 2019.[9] The ESRB analysed the institutional and methodological framework of this macroprudential instrument in each country, and the level of compliance by the national designated authorities and the ECB with the ESRB's principles and technical guidance. The report indicated that the Banco de España was among the national authorities graded as being fully compliant with the ESRB's Recommendation. The Recommendation addresses the principles that should govern the use of the CCyB, the calculation of the benchmark buffer rate, the monitoring of microfinancial variables relevant to its calibration and matters concerning strategy for communicating decisions on the CCyB.

7.3 Other fora

The Banco de España, through its Market Conduct and Claims Department, is a member of the International Financial Consumer Protection Organisation (FinCoNet). FinCoNet's most recent activity centred on the impact on consumers of the digitalisation of banking products and services and on best supervisory practices to mitigate the attendant risks. In 2019 FinCoNet worked on various areas, such as financial products and services advertising, product governance, SupTech initiatives applied to supervising conduct and the assessment of customer creditworthiness in responsible lending.

The Banco de España is a member of the Committee on Payments and Market Infrastructures (CPMI) of the Bank for International Settlements (BIS). The CPMI's mandate is to set international oversight and regulatory standards and guidance applicable to financial market infrastructures and payments. These include the *Principles for Financial Market Infrastructures* (PFMI), drawn up in collaboration with IOSCO, or the *Guidance on cyber resilience for financial market infrastructures,* also with IOSCO. The Committee's aim is to promote the safety and efficiency of payment and securities clearing and settlement systems, thereby supporting financial stability and the wider economy. The CPMI also helps to set policy, with particular focus on all innovation-related matters. It also serves as a forum for central bank cooperation in related oversight, policy and operational matters, including the provision of central bank services.

9 ESRB, *Summary Compliance Report on ESRB Recommendation on guidance for setting countercyclical buffer rates (ESRB/2014/1),* 3 May 2019.

In 2019 the CPMI worked on a strategy for reducing the risk of wholesale payments fraud related to endpoint security. As a result, it published a toolkit to manage such risk. Also in collaboration with IOSCO, the Committee published a document describing how financial authorities cooperate to promote the security and efficiency of financial market infrastructures, in line with Responsibility E of the PFMI. In 2019 the CPMI continued to monitor the implementation of the PFMI in the various jurisdictions and published the assessment reports on the US and Switzerland. It also analysed correspondent banking activity, and observed in its most recent report that the number of active correspondent banking relationships has shrunk by 20% over the past seven years, with the resulting adverse impact on the ability to make cross-border payments in some jurisdictions. Lastly, the CPMI, which places particular focus on central counterparties (CCPs), published a discussion paper in collaboration with IOSCO to help define the main characteristics of default management auctions, a tool used by CCPs to manage participant default.

As regards innovation, the CPMI drew up a report on criteria for developers to consider when designing wholesale digital tokens to be exchanged between financial institutions, i.e. matters relating to their issuance, access, underlying asset, transfer mechanisms, etc. Lastly, a CPMI working group created under the aegis of the G7 published a report on the possible impact of global stablecoins (e.g. Libra project). The report examines the challenges, risks and rewards that these initiatives might entail. The report concludes that global stablecoins could have implications for matters as important as money laundering, cyber security and consumer protection, which might have an adverse impact on financial stability.

In the area of sustainable finance, in 2019 the Banco de España continued to participate actively in the Network for Greening the Financial System (NGFS). This is a network of central banks and supervisors from around the world, created in December 2017, whose purpose is to contribute to shaping the financial system's global response to achieving the goals of the 2015 Paris Agreement. Sustainable finance has become particularly prominent in recent years, as evidenced by the rapid expansion of the NGFS (growing from 8 founding members to 59 members and 12 observers currently).

In April 2019 the NGFS published its first comprehensive report *(A call for action: Climate change as a source of financial risk).* This report, which was the international group's first major milestone and had a resounding impact on the international financial community, recommends, inter alia, that supervisors "integrate climate-related risks into financial stability monitoring and micro-supervision". To do so, the report considers it necessary to: i) assess climate-related financial risks; ii) map physical and transition risk transmission channels within the financial system and adopt key risk indicators to monitor these risks; iii) engage with firms to ensure that climate-related risks are understood at board level, considered in risk management and investment decisions and embedded into firms' strategy; and iv) set supervisory expectations to provide guidance to financial firms.

The most important work conducted in 2019, aimed at operationalising the aforementioned recommendation, was: i) the preparation of a document on the tools and methodologies for analysing climate-related and environmental risks, based on the study of a series of models developed by consulting firms, credit rating agencies, academic institutions, among others, which financial institutions could use as a handbook for managing these risks; ii) developing a guide for supervisors containing a series of recommendations for integrating climate-related and environmental risks in the microprudential supervisory framework; and iii) an analysis of whether there is evidence suggesting that a credit risk differential exists between "green" and "brown" assets. These three documents are scheduled for publication in the second quarter of 2020.