



Tuesday, November 2, 2021

## Global Regulators Set Anti-Greenwashing Standards

IOSCO's board today [issued a report](#) targeting asset-management greenwashing. With this in hand, we expect the SEC soon to proceed on the like-kind ESG standards Chairman Gensler has prioritized as an action item ([see Client Report INVESTOR19](#)). Based on an [earlier consultation](#), the new global standards address asset-management internal controls, asset-manager and product disclosures, fund naming, supervision and enforcement, and investor and industry education. IOSCO plans later this month also to issue guidance on ESG data and product ratings.

## Gensler Reiterates Wide-Ranging Agenda, Push-Out Plans

As [noted yesterday](#), the President's Working Group on Financial Markets (PWG) was joined by the OCC and FDIC yesterday issuing a report calling for prompt Congressional action to regulate stablecoins and, even in its absence, also for fast action by federal regulators and the FSOC.

## Senate LIBOR Bill Faces Partisan Dispute

Senate Banking's hearing today on LIBOR transition led to the first public announcement of a Tester-Tillis bill akin to the Sherman measure ([see FSM Report LIBOR6](#)) along with a bipartisan consensus on the need for action, if not also on how to act. Chairman Brown (D-OH) said that he supports the as-yet-unintroduced bill, but that it must prevent what he called the willingness of big banks to use benchmarks to their own advantage. Ranking Member Toomey (R-PA) said Congress should intervene in private contracts only in extreme circumstances. While ending LIBOR is one of them, he wants to ensure that legislation includes "extra safeguards" so nothing interferes with benchmark choice on future contracts. The extent to which the Tester-Tillis bill as drafted or the reach of any Toomey amendments will determine the pace of Senate Banking action, but even minor differences between the House and Senate bills may slow enactment. Given the "hard stop" on LIBOR [reinforced just last week](#), there may be little time to resolve disputes ahead of year-end.

Testifying on behalf of the Alternative Reference Rates Committee, Thomas Wipf supported the Tester-Tillis proposal as drafted. Andrew Pizor, representing the National Consumer Law Center, said that the safe harbor must be more narrowly tailored than the Sherman bill, pushing for a tighter definition of conforming changes.

## Recent Files Available for Downloading

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The following reports and analyses have been sent to retainer clients recently. Copies are also available to retainer clients on the Archives section of Federal Financial Analytics' website: [www.fedfin.com](http://www.fedfin.com) or clients may obtain the reports/analyses by e-mailing [info@fedfin.com](mailto:info@fedfin.com) giving the requested item name, firm, and e-mail address. To learn more about *GSE Activity Reports*, click [here](#).

- **CRYPTO21:** As [noted yesterday](#), the President's Working Group on Financial Markets (PWG) was joined by the OCC and FDIC yesterday issuing a report calling for prompt Congressional action to regulate stablecoins and, even in its absence, also for fast action by federal regulators and the FSOC.

- **[GSE-102821](#)**: FHFA is [proposing](#) a new disclosure regime designed to bring Fannie and Freddie into the public marketplace in a fashion analogous to large U.S. banks.
- **[CONSUMER37](#)**: As anticipated, HFSC's hearing today with CFPB Director Chopra skidded over a wide range of policy issues.
- **[GSE-102721](#)**: After years of enforcement inactivity, the OCC has [issued a tough set of restrictions](#) against one of the increasingly few large mortgage servicers still willing to be a banks.
- **[GREEN11](#)**: As we [noted yesterday](#), the Financial Stability Oversight Council has now complied with President Biden's executive order ([see FSM Report GREEN8](#)), compiling an exhaustive [assessment](#) of the financial-stability implications of climate risk and what might best be done about it.
- **[CBDC9](#)**: Shortly after the BIS and a group of central banks endorsed a construct for retail-facing central-bank digital currency (CBDC), the Group of Seven (G7) finance ministerial issued these public-policy principles to establish a still broader framework for future action
- **[SANCTION15](#)**: Today's Senate Banking hearing with Treasury Deputy Secretary Wally Adeyemo showed bipartisan concern that the Administration is failing to implement sanctions required by law, especially when it comes to China, North Korea, and Russia.
- **[MMF18](#)**: Global regulators have now finalized a framework on which national regulators may base the reforms they deemed necessary after the pandemic sparked profound disruptions in this sector.
- **[CRYPTO20](#)**: Responding to requests from the G7, G20, and FSB, this report addresses market-infrastructure considerations related to systemically-important stablecoins that do not involve multi-currency baskets (e.g., Facebook's Diem).
- **[GSE-101221](#)**: Although the majority of FHA ARMs are now LIBOR-linked, HUD has been waiting for Congress, the Fed, or forces on high to help it set a new benchmark.
- **[MERGER8](#)**: Progressive Democrats in the House and Senate have introduced legislation demanding an array of new decision factors governing bank M&A transactions and new or even revised BHC activities.
- **[INVESTOR19](#)**: As [anticipated](#), today's HFSC hearing with SEC Chair Gensler covered the full SEC agenda, although members steered clear of the SEC investigation demanded by Sen. Warren (D-MA) into recent Fed trading.
- **[CBDC8](#)**: As we [noted](#) last week, the BIS and seven major central banks have advanced global CBDC policy with three new reports evaluating key design features.
- **[GSE-093021a](#)**: Now that we have FHFA's comment deadline – November 26 – we expand our [initial analysis](#) of FHFA's capital rewrite into a more detailed assessment of its strategic impact.
- **[REFORM209](#)**: In very sharp contrast to the Senate Banking session on Tuesday with Chairman Powell and Secretary Yellen ([see Client Report REFORM208](#)), today's HFSC session was largely devoted to partisan wrangling over monetary policy, the debt ceiling, and the Biden Administration's overall fiscal policy.