

Financial Regulation: Weekly Update

3 August 2018

Regulation Unit

Highlights

IOSCO issues recommendations for trading venues. EBA issues RTS on securitisation, and home-host cooperation under PSD2. It also issues a report on the functioning of resolution colleges. ESMA publishes findings of peer review for UCITS. US Treasury issues report on Fintechs. OCC starts accepting applications from Fintechs.

GLOBAL

- IOSCO issues recommendations to help trading venues manage extreme volatility

Publishes [eight recommendations](#) to assist trading venues and authorities in the implementation of mechanisms to manage extreme volatility and preserve orderly trading, in view of recent extreme volatility events.

EUROPE

- EBA publishes two final draft RTS on securitisations

i) Issues final draft RTS on [risk retention](#) for securitisation transactions, and ii) on [homogeneity](#) of underlying exposures. These drafts were issued for public consultation, and now they need to be approved by the EC.

- EBA publishes draft RTS on home-host cooperation under Payment Services Directive (PSD 2)

[Framework](#) for cooperation between competent authorities for information exchange. Aimed at ensuring efficient supervision of cross-border payment institutions. Also includes reporting requirements for these institutions.

- EBA publishes progress report on the functioning of resolution colleges in 2017

It [sees progress](#), but publishes a list of recommendations for authorities to take into account, mainly on the need to: link recovery and resolution plans, remove impediments to resolvability and set MREL at solo level.

- ESMA presents findings from peer review on national supervisor's approach to UCITS

[Identifies](#) shortcomings in the level of compliance with ESMA's guidelines from six national authorities, in particular supervisory practices regarding operational aspects of costs, fees, revenues and collateral management.

Creating Opportunities

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- [ESMA publishes data for Systematic Internaliser \(SI\) calculations under MiFID II and MiFIR](#)

Publishes the total number of trades and [total volume](#) over the period Jan-Jun 2018 for SI calculations for 9,173 equity and equity-like instruments, and for 73,828 bonds. The publication for derivatives will start on 1 Feb 2019.

- [EBA updates Joint Committee guidelines on complaints handling](#)

Extension to the [scope of application](#) in order to include authorities supervising entities under PSD2 and Mortgage Credit Directive. Aimed at ensuring the application of the same requirements for complaint-handling to all entities.

- [ESMA updates Q&A on temporary product intervention measures](#)

Provides clarification on the scope of the [measures](#). These measures restrict the marketing, distribution and sale of CFDs and binary options to retail clients under MiFIR.

- [EIOPA publishes a series of papers and reports on different issues](#)

i) Discussion paper to analyse the need for [harmonisation](#) of insurance guarantee schemes. Deadline: 26 Oct. ii) Paper on systemic risk and macroprudential policy series that carries out an assessment of potential [macroprudential](#) tools for insurers. iii) Report on [cyber risk](#) in the insurance industry, arguing that deeper understanding of this problem is needed.

UNITED KINGDOM

- [PRA consults on the extension of the SM&CR to insurers](#)

In order to strengthen their [accountability](#), it proposes a technical correction to extend the Senior Managers and Certification Regime to insurers. Deadline: 1 Oct.

- [FCA issues statement supporting ESMA's measures on CFDs and binary options restrictions.](#)

Following the recent restriction by ESMA on the marketing, distribution and sale of CFDs and binary options, it raises concerns about the selling of other [complex products](#) to retail clients to avoid ESMA's measures.

- [FCA consults on rules and guidelines for payment services and e-money firms](#)

In order to improve [standards of conduct](#) and communications for these firms, it proposes to extend the application of the 'Principles for Business' and some other specific rules. Deadline: 1 Nov.

UNITED STATES

- [US Treasury releases report on Nonbank financial, Fintech, and Innovation](#)

It provides a series of [recommendations](#) to streamline regulation and to promote financial innovation. One of the objectives is to facilitate "regulatory sandboxes".

Creating Opportunities

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- [OCC issues policy statement on Fintechs eligibility for national bank charters](#)

The agency will start [accepting](#) applications for national bank charters from nondepository fintechs that engage in the banking business.

Recent publications of interest (in English and Spanish):

- [Press Article](#). La integración de la sostenibilidad en el sistema financiero. July 2018 (only in Spanish)
- [Press Article](#). Completing the Banking Union is a priority. June 2018
- [Regulation Watch](#). From words to action: Recent regulatory reforms in the U.S. June 2018
- [Regulation Watch](#). Europe | Funding before and in resolution. May 2018
- [Financial Regulation Outlook](#). June 2018
- [Banking Outlook](#). August 2018

Previous editions of our Weekly Regulatory Update in [Spanish](#) and [English](#).

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