

Financial Regulation: Weekly Update

24 August 2018

Regulation Unit

Highlights

BIS issues consultation on governance arrangements for OTC derivatives data. ESMA issues technical standards on disclosure for securitisations. ECB updates list of supervised entities. UK Treasury issues Statutory Instruments to adapt DGS and CRR after Brexit. US Agencies issue interim rule on the treatment of municipal securities for the purpose of LCR.

GLOBAL

- [BIS issues consultative report on Governance arrangements for critical OTC derivatives data elements](#)

The report is part of the Harmonisation Group's response to the mandate given by the FSB to the CPMI and IOSCO to develop global guidance on the [harmonisation of data elements](#) reported to TRs and authorities. Deadline: 27 Sep.

- [FSB launches thematic peer review on LEI implementation](#)

It seeks [feedback](#) from stakeholders on the implementation of the Legal Entity Identifier to evaluate progress made (implementation strategies, assessment of progress, and identification of challenges). Deadline: 21 Sep.

- [BCBS publishes data collection for Basel III monitoring](#)

It monitors [Basel III impact](#) semi-annually with end-December and end-June data. The BIS updates the current version with end-June 2018 data.

EUROPE

- [ESMA issues draft RTS / ITS on disclosure standards under securitisation regulation](#)

The RTS specify [information](#) to be provided and detailed arrangement to implement the new regulatory framework. Also provides the reporting templates.

- [ECB publishes list of supervised entities](#)

Presentes banks that are [significant](#) (and directly supervised by the SSM) and less significant. As of 1 Jul 2018, the number of significant supervised entities is 119.

Creating Opportunities

Regulation Weekly – 24 August 2018

- [ECB decides to develop ESTER \(euro short-term rate\)](#)

[ESTER](#) will be calculated based entirely on actual individual transactions in euros that are reported by banks in accordance with the ECB's money market statistical reporting. ESTER will be published by Oct 2019.

- [ESMA renew prohibition on binary options for a further three months](#)

Agrees to renew the [prohibition](#) of the marketing, distribution or sale of binary options to retail clients, in effect since 2 Jul. The measure will start to apply from 2 Oct for a period of three months.

- [ESMA registers a new Credit Rating Agency \(CRA\)](#)

Registers Moody's Investors Service (Nordics) AB as a [new CRA](#), with effect from 13 Aug 2018.

UNITED KINGDOM

- [UK Treasury issues draft Statutory Instruments \(SI\) to amend retained EU law and existing UK law](#)

SI amending provisions related to [Deposit Guarantee](#) Schemes, and the [CRR](#). It mostly seeks to transfer powers from EU to UK authorities, adapt regulatory perimeters, and adjust the UK framework to the post-Brexit environment.

UNITED STATES

- [Agencies seek comments on interim rule regarding LCR and examination cycles](#)

i) Amendments to treat certain [municipal securities](#) as Level 2B High Quality Liquid Assets for the purpose of LCR. Deadline: 30 from publication in federal register. ii) Amendments to allow banks with less than \$3 billion in total assets to qualify for an extended 18-month on-site [examination](#) cycle. Deadline: 60 days from publication in federal register.

- [CFTC amends rules on CCO duties and annual reports, and on clearing requirements](#)

i) Final rules to simplify and clarify [regulations](#) on Chief Compliance Officer duties. Also changes in annual report content and submission requirements. ii) Proposed rule to exempt bank holding companies and saving and loans companies with less than \$10 billion of consolidated assets from the [clearing requirements](#) for swaps operations. Deadline: 60 days from publication in federal register.

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

Creating Opportunities

Regulation Weekly – 24 August 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](#).

DISCLAIMER

This document has been prepared by BBVA Research Department, it is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

In regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions in the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. It is forbidden its reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process, except in cases where it is legally permitted or expressly authorized by BBVA.

Regulation

Lead Economist
Ana Rubio
arubiog@bbva.com

Arturo Fraile
arturo.fraile@bbva.com

Victoria Santillana
mvictoria.santillana@bbva.com

Matías Daniel Cabrera
matiasdaniel.cabrera@bbva.com

Pilar Soler
pilar.soler.vaquer@bbva.com

Javier García Tolonen
javierpablo.garcia@bbva.com

Álvaro Romero Mateu
alvaro.romero.mateu@bbva.com

Salvador Bekiaropoulos Donate
salvador.bekiaropoulos@bbva.com

BBVA Research

Chief Economist BBVA Group
Jorge Sicilia Serrano

Macroeconomic Analysis
Rafael Doménech
r.domenech@bbva.com

Digital Economy
Alejandro Neut
robertoalejandro.neut@bbva.com

Global Macroeconomic
Scenarios
Miguel Jiménez
mjimenezg@bbva.com

Global Financial Markets
Sonsoles Castillo
s.castillo@bbva.com

Long-Term Global Modelling and
Analysis
Julián Cubero
juan.cubero@bbva.com

Innovation and Processes
Oscar de las Peñas
oscar.delaspenas@bbva.com

Financial Systems and
Regulation
Santiago Fernández de Lis
sfernandezdelis@bbva.com

Digital Regulation and Trends
Álvaro Martín
alvaro.martin@bbva.com

Regulation
Ana Rubio
arubiog@bbva.com

Financial Systems
Olga Cerqueira
olga.gouveia@bbva.com

Spain and Portugal
Miguel Cardoso
miguel.cardoso@bbva.com

United States
Nathaniel Karp
nathaniel.Karp@bbva.com

Mexico
Carlos Serrano
carlos.serranoh@bbva.com

Middle East, Asia and
Big Data
Álvaro Ortiz
alvaro.ortiz@bbva.com

Turkey
Álvaro Ortiz
alvaro.ortiz@bbva.com

Asia
Le Xia
le.xia@bbva.com

South America
Juan Manuel Ruiz
juan.ruiz@bbva.com

Argentina
Gloria Sorensen
gsorensen@bbva.com

Chile
Jorge Selaive
jselaive@bbva.com

Colombia
Juana Téllez
juana.tellez@bbva.com

Peru
Hugo Perea
hperea@bbva.com

Venezuela
Julio Pineda
juliocesar.pineda@bbva.com

Creating Opportunities

Regulation Weekly – 24 August 2018