

# Financial Regulation: Weekly Update

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## Highlights

BCBS issues guidelines for the mapping process under SA. EU Council extends Art.50 process. Council of the EU adopts NPL reform. ECB presents 2018 SREP results. ESAs publish annual report. PRA consults on changes to the Branch Return Form. FRB consults on changes to the regulatory framework for foreign banks.

## GLOBAL

- **BCBS publishes guidelines on the implementation of the mapping process under the SA**

[Guidelines](#) for supervisors in the process of assigning risk weights to the credit risk assessments of eligible external credit agencies.

- **FSB issues directory of crypto-asset regulators**

It seeks to provide information on the relevant regulators, and other standard-setting bodies, who deal with [crypto-assets](#) issues and other related aspects.

## EUROPE

- **ECB issues SREP results for 2018**

Overall [SREP demand](#) for CET1 capital increased to 10.6%, driven by the final phase-in of the capital conservation buffer. Outcome shows worsening governance and risk management. liquidity and funding risks remain unchanged.

- **EBA publishes final standards on calculation of capital requirements for securitisation exposures**

It sets out the [conditions](#) to allow institutions to use internal models to calculate capital requirements for securitised exposures in accordance with the purchased receivables approach.

- **EU Council issues decision extending the process of Article 50**

It [confirms](#) the extension to 31 October (including a review of progress by June). If the agreement is ratified earlier, the departure of the UK will be formalized on the first day of the month following ratification.

- **EU Council adopts reform of capital requirements for Non-Performing Loans**

It introduces a [new prudential backstop](#) for minimum loss coverage for NPLs, applicable to new NPLs (since entry into force). The new requirements will depend on the time since classification as an NPL, and the type of collateral.

## Creating Opportunities

- **ESAs publishes annual report for 2018**

It [focuses](#) on Brexit-related issues, and their work on other relevant aspects: consumer protection, financial innovation and combating money laundering and terrorism financing.

- **EBA updates list of diversified indices**

Updates the original list published in December 2013. The information is used to calculate [capital requirements](#) for position risk in equities according to the standardised rules.

- **ESMA updates the impact of databases and systems of a no-deal Brexit scenario**

It amends the dates of the [operations](#) of ESMA data systems following previous statement, to reflect the 12 April deadline (note: the statement was issued prior to the decision to extend the process of Art.50).

- **ESAs issue advice on Information & Communication Technology risk management and cybersecurity**

The [publication](#) refers to the need for legislative improvements relating to ICT risk management, and to the costs/benefits of a coherent cyber resilience testing framework for significant market participants.

- **EIOPA issues statement on the application of the proportionality principles under Solvency II**

It identifies [potential divergences](#) related to supervision on the Solvency Capital Requirement (SCR), and highlights the proportionality principle as a key element to supervisory convergence.

- **ESMA updates Q&As**

i) On MiFIR [data reporting](#): regarding the obligation for trading venues operating on the basis of a specified list of instruments. ii) On the [transparency](#) directive.

- **ESMA publishes translations of guidelines on CCP conflict of interest**

Official [translations](#) of the guidelines that apply to National Competent Authorities. Within two months, these NCAs should notify ESMA on whether they comply or they intend to comply.

## SPAIN

- **CNMV issues circular on the categorisation for collective investment schemes**

In accordance with EU regulation 2017/1131, it contains [new definitions](#) for money market funds and new category breakdowns regarding collective investment schemes . Entry into force: 9 Apr.

- **BdE issues the institutional report for 2018**

[Focuses](#) on: i) tasks and responsibilities, ii) business areas, main activities performed as central bank and supervisor and, iii) reviews of their research activities, international cooperation and financial education.

## UNITED KINGDOM

- **PRA consults on changes to the format and content of branch return form**

It seeks [comments](#) on its proposal to change the format and content of the Branch Return Form (BRF), including guidance for its completion, and changes in the reporting format among others. Deadline: 07 Jul.

## UNITED STATES

- **FRB consults on regulatory framework for foreign banks**

In order to [streamline](#) regulatory requirements, it classifies foreign banks into categories based on their US asset size, cross-jurisdictional activity, and reliance on short-term wholesale funding, among others. Deadline: 21 Jun.

- **OCC issues revision of interagency examination procedures**

The [bulletin](#) informs banks about the revised procedures for determining compliance with the Home Mortgage Disclosure Act. It also includes transaction testing guidelines for both examiners and industry.

- **CFTC issues statements on Brexit-related measures**

It seeks to [guarantee](#) that the existing regulatory relief will continue to be available for UK entities even if there is no deal. It will be applicable from the moment when the UK withdraws from the EU.

- **FDIC issues monthly list of CRA compliance**

List of [non-member](#) banks evaluated for compliance with CRA in January 2019.

### Recent publications of interest (in English and Spanish):

- [Financial Regulation Outlook](#). January 2019
- [Working Paper](#). Digital transformation and finance sector competition. January 2019
- [Working Paper](#). Sovereign risk in the Eurozone and its treatment in banking regulation. December 2018
- [Press Article](#). Resilience of mortgage lending. January 2019
- [Press Article](#). What will be the trends in financial regulation in 2019? December 2018

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

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