

Financial Regulation: Weekly Update

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Highlights

1. FSB consults on the evaluation of too-big-to-fail reforms
2. ESAs issue amendment on ITS mapping credit assessments of ECAIs
3. BdE publishes Financial Stability Review
4. BoE publishes minutes from the working group on Sterling Risk-Free Reference Rates
5. OCC issues report on key risks for federal banking system

GLOBAL

- **FSB consults on the evaluation of too-big-to-fail reforms and invites feedback from the stakeholders**

It seeks [comment](#) as part of the evaluation of the effects of TBTF reforms. It will assess whether the implemented reforms are reducing the systemic and moral hazard risks associated with SIBs. Deadline: 29 Jun.

- **ISDA deploys the common domain model to support the BoE and FCA on the DRR for derivatives**

[Helps](#) to understand the feasibility of firms meeting *position-based* and *transaction-based* reporting requirements from the same trade data, and harmonize reporting triggers so firms report the same information at the same time.

EUROPE

- **ESAs publish amendments to the ITS on mapping credit assessments of ECAIs under the CRR**

[Second](#) amendment reflecting the outcome of a monitoring exercise on the adequacy of existing mappings. Proposes to change the CQS allocation for two ECAIs, and to introduce new credit rating scales for ten ECAIs.

- **ESMA publishes translations for guidelines regarding the endorsement regime for CRAs**

[Issues](#) the official translations of its Guidelines on the application of the endorsement regime under Article 4(3) of the Credit Rating Agencies Regulation.

- **ESAs consult on technical standards on reporting for financial conglomerates**

Aimed at offering a single framework for the [reporting](#) of intragroup transactions and risk concentration for financial conglomerates subject to supplementary supervision. Deadline: 15 Aug.

- **EBA publishes advice on the regulatory and supervisory equivalence of Argentina**

[Opinion](#) stating that the supervisory and regulatory framework applicable to credit institutions in Argentina can be regarded as equivalent to those applied in the EU. The EC decision was issued last April.

Creating Opportunities

- **EIOPA publishes the calculation of the Ultimate Forward Rate (UFR) for 2020**

Updates UFR calculation for 2020 in accordance with its methodology. For the euro, the applicable UFR as of 1 January 2020 will be 3.75%.

- **ESMA updates Q&As**

Q&As on: i) [implementation of CSDR](#), ii) [benchmark regulation](#).

SPAIN

- **BdE publishes Financial Stability Review**

Includes among other articles: i) *The Single Banking Resolution Mechanism*, ii) *The FROB in the restructuring of the Spanish banking system*, iii) *Resolution planning for credit institutions in Spain and in the euro area*.

- **CNMV issues statement on “recovery rooms” activity**

It warns victims of financial *boiler rooms* about the activities of these companies which might be linked with those responsible for the fraud.

UNITED KINGDOM

- **BoE publishes minutes of the working group on Sterling Risk-Free Reference Rates**

It discusses the developments of sterling risk-free reference rates of the last meeting held by the working group in March 2019 such as the establishment of SONIA-linked markets or the development of a forward looking term rate.

- **PRA seeks feedback on framework for assessing financial impacts of physical climate change**

Practitioner's aide for general insurance sector. Includes tools, case studies and recommendations. The framework has six stages: business decision, materiality, research, tools, impact, reporting & action. Deadline: 22 Nov.

- **PRA consults on solvency II maintenance of the Transitional Measure on Technical Provisions**

Aimed at providing guidance for firms using a proportionate approach to the TMTP and clarity on the consistency of solvency I and solvency II methodologies. Deadline: 21 Aug.

UNITED STATES

- **OCC issues report on key risks for federal banking system**

Reports that, for this semester, credit quality is strong although risk is accumulating. Operational and compliance risks are high. Interest rate risk and related liquidity risk pose challenges.

- **CFTC consults on derivatives clearing organization proposal in the Federal Register**

Proposes amendments to certain regulations applicable to registered derivatives clearing organizations (DCOs) to clarify and simplify certain processes such as registration and reporting. Deadline: 15 Jul.

Creating Opportunities

Recent publications of interest (in English and Spanish):

- [Press Article](#). *To complete the Banking Union, it is also necessary to harmonize bank insolvency regimes*. May 2019

Previous edition of our Weekly Financial Regulation Update in [english](#).

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