

Financial Regulation: Weekly Update

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Highlights

1. IOSCO issues statement on benchmarks transition, and ISDA publishes preliminary results from consultation on benchmarks fallbacks
2. EBA consults on maturity of contractual payments due in securitisation transactions
3. EBA publishes clarifications to the fourth set of issues of the working group on APIs under PSD2
4. European Commission issues communication with its equivalence policy with non-EU countries
5. US agencies complete the evaluation of resolution plans

GLOBAL

■ IOSCO issues statement on benchmarks transition

[Informs](#) relevant market participants of how an early transition to Risk Free Rates can mitigate potential financial and conduct risks arising from the expected cessation of LIBOR.

■ ISDA publishes preliminary results of supplemental benchmarks fallbacks consultation

The overwhelming [majority of respondents](#) preferred the “compounded setting in arrears rate” for the adjusted risk-free rate, and the “historical mean/median approach” for the spread adjustment. More information in August.

EUROPE

■ EBA consults on maturity of contractual payments due in securitisation transactions

Aims to ensure [harmonisation](#) in the calculation of the weighted average maturity for regulatory purposes. Includes the meaning of contractual payments and data and information requirements, among others. Deadline: 31 Oct.

■ EBA publishes clarifications to the fourth set of issues of the WG on APIs under PSD2

Responds to [issues](#) raised on: i) confirmation of payment execution, ii) biometric and authentication on mobile apps, iii) stress testing and iv) access to non-payment account information, among others.

■ EC issues communication with its equivalence policy with non-EU countries

It takes stock of the [overall approach](#) to equivalence for financial services. Highlights changes to strengthen the framework. Presents recent equivalence decisions, including the repealing of CRA equivalence for some countries.

- **EBA issues two opinions on macroprudential measures**

i) It does not object to the extension of the use of Art.458 CRR proposed by the [Finnish Financial Supervisory Authority](#). ii) It does not support the introduction of stricter national measures for credit institutions in Estonia using the Internal Ratings Based approach proposed by the [Estonian Central Bank](#).

- **ESRB releases its 2018 Annual Report**

[Covering](#) systemic risks in the financial system of the EU, and the policies for addressing them. It also provides an overview of the institutional framework in terms of implementation and accountability.

- **ESMA updates Q&As on MiFIR data reporting**

[Clarifies](#) reporting obligations for financial instruments without a defined expiry date. The amendments to the existing Q&A on MiFIR data reporting have been effective since 29 Jul.

- **EIOPA updates technical information and its risk dashboard**

i) Publishes the list of [instrument codes](#) of financial market data to be used for the calculation of the technical information relating to the risk-free interest rate term structures. ii) Risk dashboard shows [stable risk trends](#) for the insurance sector of the EU, with macro and market risk at a high level.

- **OJEU publishes guideline on the euro short-term rate**

This [guideline](#) sets: i) ECB's responsibility for its administration and oversight of its determination process; ii) tasks and responsibilities of ECB and NCBs with respect to their contributions, among other things.

SPAIN

- **CNMV publishes July's financial stability note**

The stress level of [Spanish financial markets](#) has increased but remains low. Main source of uncertainty concerns the banking sector and debt. The low profitability context persists.

UNITED KINGDOM

- **BoE publishes its Resolvability Assessment Framework (RAF)**

Designed to make [resolution](#) more transparent, it has 3 components: i) how the BoE will assess resolvability, ii) it requires UK firms to assess their resolution preparations, and iii) it makes public statements on resolvability.

- **PRA publishes information on banking supervision**

It publishes [information](#) on rules and guidance, options and discretions, SREP and aggregate statistical data, in order to allow for a comparison of the approaches adopted by different competent authorities in the EU.

- **FCA issues guidance on crypto-assets regulation**

The [guidance](#) clarifies which crypto-asset activities fall under the FCA regulation. This will allow firms to have a better understanding of whether they need to be authorised and what they need to do to ensure they are compliant.

UNITED STATES

- **Agencies complete the resolution plan evaluations, and extend the deadline for some firms**

No [deficiencies](#) are identified in the 2018 resolution plans of 82 foreign banks. Some are requested with additional information for the next plan. The next deadline for the 82 banks (and 15 domestic ones) is extended to 1 Jul 2021.

- **FDIC issues its 2019 risk review**

This annual publication [examines](#) potential emerging risks (credit and market risks).

- **OCC issues guidelines regarding the CRA**

i) For [requesting](#) designation as a wholesale, limited purpose, or special purpose bank for CRA purposes. ii) For requesting approval to use the [strategic plan](#) option to be evaluated under the CRA.

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.
- [Press Article](#). *New package of banking reforms to prevent crises*. June 2019.
- [Press Article](#). *Nueva Ley de Contratos de Crédito Inmobiliario: de la teoría a la práctica* (only in Spanish). June 2019.

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

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