Weekly Regulation Update

Sistemas Financieros y Regulación

EUROPE

- **EBA publishes three new technical standards**
  (i) Liquidity requirements, (ii) prudent valuation and (iii) additional collateral outflows. This is another brick in the building of an integrated prudential framework.

- **The Parliament approves the Commission's proposal on legal audits**
  The Directive will provide a revised and improved legal framework for external audits. After its final approval by the Council, it will be published in the OJEU in the second half of 2014.

- **BCE approves the rules of procedure of the Supervisory Board**
  This sets out the selection mechanism for making up the steering committee which will carry out the daily tasks of the Board of the Single Supervision Mechanism.

- **Publication in the OJEU of technical rules on conglomerates**
  Delegated Regulation 342/2014 specifies the methods for calculating capital requirements for financial conglomerates. Obligatory as of 23 April.

- **Experts publish report on eurobills and the debt redemption fund**
  The expert group, created by the EC in March 2013, presented its position on viability, profits and risks of both projects in the context of a future fiscal union.

- **European supervisory authorities highlight cross-sectorial risks**
  This their third bi-annual report on the risks and vulnerabilities in the EU financial system.

- **ESMA publishes a trade repository supervision work plan**
  The aim is to enhance transparency. Counterparties have been required to report their derivative trades to trade repositories (TRs) since 12 February.

- **EIOPA publishes two consultation papers on Solvency II**
  (i) Implementing technical standards. (ii) Operating guidelines for colleges of supervisors . Runs to: 30 June.

- **Legislative agreement to increase protection for small investors**
  This requires key information to be supplied in a clear, comparable and complete manner in a mandatory three-page A4 Key Information Document (KID). Final voting in parliament in April.

UNITED KINGDOM

- **Treasury consults on its bank levy reform**
  It is consulting on a neutral reform to increase revenue sustainability. Runs to: 08 May.

- **FCA to investigate how to reduce index multiplication risk**
  It will investigate banks' options for reducing internal risk benchmark manipulation.

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- **FCA takes over regulation of consumer credit firms**
  The aim is to increase consumer protection. Companies are subject to FCA rules on consumer protection and to its 11 principles for business.

GLOBAL

- **FSB reviews work plans for completing core financial reforms**
  Publication dates of certain documents revised.

- **BCBS publishes guidance on external audits of banks**
  The new guidance enhances and supersedes previous documents from 2002 and 2008.

- **BIS finalises standard method for measuring counterparty risk exposure**
  As well as instructions about reporting related data, it updates the FAQs.

- **BIS updates instructions for Basel III monitoring**
  It publishes new methodology for capital requirements on derivatives, to be applied from January 2017.

- **Global report on OTC derivatives cross-border implementation**
  Prepared by the international ODRG regulators' group. Includes planning schedule.

Relevant recent publications: *Financial Inclusion Flash: The Commission on Long-Term Financing of the European Economy*

Back issues of our *Weekly Regulation Update* (only in Spanish).