

REGULATION

Weekly Regulation Update

Financial Systems and Regulation Area

SPAIN

- [New law for banking regulation, supervision and solvency](#)

Law 10/2014 completes the transposition of Directive 36/2013 into the Spanish legal framework, and brings together the rules covering the regulation and solvency of credit institutions into one piece of legislation.

EUROPE

- [Commission to consult on resolution financing contributions](#)

It has published a consultative document about the methodology for individual bank levies to national resolution funds and to the European resolution fund. Runs to: 14 July.

- [ESRB publishes its eighth risk dashboard on systemic risk](#)

Conclusions: slow recovery at a macro level, improvement in financial conditions but high sovereign indebtedness, systemic risk is perceived as low and greater banking solvency.

- [EBA publishes its fifth report on risks in the European banking sector](#)

It concludes that confidence is recovering, with better balance sheets and higher capital levels, but warns that the recovery is fragile with uncertainty over asset valuations.

- [ESRB and ECB publish macro-prudential recommendations and final results](#)

ESRB has issued a report with a valuation on its recommendation for the macro-prudential mandate of national authorities and has published the identification of 6 O-SIIs in Denmark. ECB publishes the final results of the four-year macro-prudential research project (MaRS).

- [ESMA publishes draft of new rules for ratings agencies \(CRA\)](#)

It includes RTSs on: (i) information that must accompany structured financing instruments (SFIs); (ii) European Ratings Platform; and (iii) CRA fees.

- Council position on long-term investment and taxes

It has agreed its position on (i) long-term European investment funds; and (ii) taxation on corporate groups with operations in more than one member state.

- Parliament publishes recompilation of financial regulation pending approval

In view of the new legislature starting next week, it has presented a situation report of the financial regulation which could not be passed during the previous parliament.

- Other EBA publications

(i) Impact analysis of pension plans in capital; (ii) final draft of technical standards on the minimum monetary amount of professional indemnity insurance; and (iii) a revised list of the validation rules for implementing technical standards on supervisory reporting.

- Publications in the Official Journal of the EU (OJEU)

(i) Regulation with regard to regulatory technical standards determining the types of alternative investment fund managers; and (ii) regulation on the format, structure, contents list and annual publication date of the information to be disclosed by competent authorities.

UNITED KINGDOM

- FPC recommends new macro-prudential measures

(i) Mortgage lending with loan to income ratios at 4.5 or higher should not represent more than 15% of the overall amount of a bank's mortgage loans. The aim is to limit the excessive indebtedness of households. Runs to 31 August; (ii) countercyclical buffer for UK exposure at 0%; and (iii) interest rate stress testing to assess the borrower's ability to pay.

- PRA considers making the prudential requirements for the bigger institutions tougher

It has specified the minimum Tier 1 capital requirements (7%) and leverage ratio (3%) for the eight biggest banks and building societies.

UNITED STATES

- The Fed extends the deadline for capital plan resubmissions

Banks whose capital plans were not approved in the first round will have to address the weaknesses identified by 5 January 2015.

- The Fed publishes data to estimate individual systemic risk on a global scale

Data on 33 individual institutions is available (to 2013 year-end) so that the list of global systemic banks can be updated (November 2014). In Europe, disclosure is required by 31 July.

GLOBAL

- BIS reports on supervisory colleges and Pillar 3

It has issued (i) principles so that supervisory colleges are effective; and (ii) a consultative document on improvements to the consistency and comparability of information disclosed by banks. Open until 26 September.

Recent publications of interest:

- *Regulation Outlook* June 2014
- *Regulation Watch*: New payments and contributions in the institutional context of the Banking Union

Back issues of our *Weekly Regulation Update* in Spanish and in English.

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