

REGULATION

Weekly Regulation Update

Financial Systems and Regulation Area / Recovery and Resolution Policies Unit / Regulation and Public Policies Unit

EUROPE

- Hearing of the Commissioner candidates before the European Parliament (EP)

Between 09/29 and 10/07. J. Hill (*Financial Stability, Financial Services and Capital Markets Union*) is due to speak on 10/01. The EP is expected to approve the new Commission on 10/22. They take office in 11/2014.

- ECB publishes new rotating system for monetary policy voting

It decides by means of a draw which governors will not exercise their monthly voting right, from 01/01/2015. All the governors will continue to take part in the Council meetings and debates.

- Council publishes new proposal for a Directive on payment services

Aim: to continue making progress towards a single integrated market for electronic card transactions, using internet and mobile phones. Next step: awaiting the Committee's decision.

- ECB publishes an opinion on the implementation of the BRRD in Germany

It strengthens tools and procedures for effective prevention, early intervention and resolution. Several points need to be clarified, such as the incorporation of the FMSA as the resolution authority in BaFin.

- ESMA publishes technical advice on the regulation of credit rating agencies

It advises on the appropriateness of developing a European system for assessing debt. Emphasis on confidentiality, resources and independence in the rating process. Next step: COM report.

UNITED KINGDOM

- BoE on possible effects of macroprudential capital policy on credit conditions

The direction and scope of the measures depend to a large degree on the state of the financial system

and the economy, as well as the reaction of investors and creditors. [Link](#) to bulletin.

GLOBAL

- [FSB plenary meets to review progress on financial regulation before Brisbane](#)

The financial system continues to strengthen, but the FSB warns about weakness in leverage and liquidity. Priorities: *too-big-to-fail*, shadow banking, derivative markets and exchange rate indexes.

- [FSB publishes two reports on OTC derivatives and one on long-term investment finance](#)

i) Ability to join regulatory regimes in third-party jurisdictions in OTC derivative markets, and ii) feasibility study on aggregation of OTC derivatives' trade repository data and next steps. (iii) Update on regulatory factors affecting supply in long-term investment finance.

- [Other publications on OTC derivatives](#)

(i) OTC derivatives regulators issue a report to the G20 on cross-border implementation, focusing on two main issues: potential gaps and duplications, and the treatment of trading platforms. (ii) IOSCO consults on risk mitigation standards for non-centrally cleared OTC derivatives; open to: 10/17.

- [IASB launches proposal for measuring quoted investments at fair value](#)

It covers investments in subsidiaries, joint ventures and associated companies when the investments are quoted in an active market. Timeline: 120 days (from 09/16).

Recent publications of interest (in English and Spanish):

- [Working Paper: A banking union for Europe: making a virtue of necessity](#)
- [Regulation Flash: US adopts a leverage ratio definition aligned with Basel standards](#)

Earlier editions of our *Weekly Regulation Update* in [Spanish](#) and [English](#).

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