

## REGULATION

## Weekly Regulation Update

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

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## SPAIN

- Second post-programme surveillance mission by EC and ECB

Confirmed positive trend in economic and financial stabilisation, although imbalances existing before the crisis still remain. Next visit: 2Q15.

## EUROPE

- ECB will publish the results of the comprehensive assessment (CA) of 130 banks on 26 October

The individual results will differentiate between capital shortfalls in the asset quality review (AQR) and those identified under the baseline and adverse scenarios of the stress test. EBA will issue the results of its EU-wide stress tests.

- EBA opens consultation on securitisations

It lays out criteria to identify prudentially sound securities and moves on a possible regulatory treatment (runs to 14 Oct 2015). Final report for the EC in 2Q15.

- ECB and BOE publish responses to the consultation on securitisations

67 responses to the document published in May 2014. Positive assessment of the initiatives to reinvigorate the securitisation market in Europe and support for the concept of "classifying securitisations".

- EBA on remuneration policies and prudential regulation

It has disclosed that some institutions may be circumventing the remuneration criteria. It has issued an opinion for the EC and competent EU authorities.

- EIOPA consults on solvency of Institutions for Occupational Retirement Provision (IORPs)

Definitions and methodologies for a holistic balance sheet and options for the supervisory framework. The aim is a shared framework that encompasses different national systems. Runs to 13 Jan.

- ECB publishes a report on structural changes in eurozone banking system

i) Sector consolidation continues; ii) less dependence on wholesale funding and more on deposits; iii) subdued profits; iv) deleveraging and v) growth of shadow banking.

- EC publishes Delegated Regulation on Solvency II

This supplements the regulatory framework with rules for assessing assets/liabilities, capital requirements, securitisation investments and governance of insurance firms. Next steps: approval by Council and Parliament.

- Council extends automatic information exchange between tax administrations

This covers taxpayers' interest payments, dividends, account balances and other financial income, eliminates bank secrecy and will reduce tax evasion. Aligned with OECD and G20.

- Other ESAs publications

ESAs and EBA 2015 work programmes. Priorities: consumer protection, cross-sectoral risk analysis, money laundering, conglomerates and CRAs. ESMA has updated data on performance of Credit Rating Agencies in the Central Rating Repository (CEREP).

## UNITED KINGDOM

- BoE to publish stress test results on 16 December

The day before (15 Dec), the institutions which have taken part in the test will be given their results.

- British government consultation on the Payment Systems Regulator (PSR)

It proposes that credit and debit cards, as well as the interbank system, fall within the remit of the PSR, with a view to increasing competition. Open to: 11 Nov.

- Prudential Regulation Authority (PRA) publishes two consultation documents

(i) The PRA's approach to with-profits insurance business in order to align the sector with Solvency II. (ii) Requests for approval under Solvency II of the internal model and the calculation method for capital requirements. Open to: 14 Jan and 9 Jan respectively.

## UNITED STATES

- FDIC & BoE discuss resolution for global systemically important banks (G-SIBs)

They discussed coordination and cooperation between the US and the UK on resolution strategies for G-SIBs, building on work begun at the end of 2012.

## GLOBAL

- FSB establishes the regulatory framework for haircuts on securities financial transactions

Non-centrally cleared. It is also consulting on haircuts for non-bank-to-non-bank transactions. Open to 15 Dec. Implementation of the framework: end of 2017.

- FSB updates the Key Attributes of Effective Resolution document and opens two consultations

Guidance for 2011 principles on information exchange, resolution of insurance and market infrastructures and protection of client assets. Consultations on: i) cooperation and information sharing with non-CMG (crisis management groups) host authorities (open to 1 Dec); and ii) guidance on identification of critical functions and critical shared services in systemically important insurers (open to 15 Dec).

- Other publications on ISDA resolution and CPMI-IOSCO

i) 18 major global banks agree on the ISDA stay protocol which suspends early termination rights in derivatives contracts if one of the parties goes into resolution; and ii) CPMI-IOSCO has published guidance on recovery plans for market infrastructures so as to guarantee critical services.

- IOSCO consults on custody of collective investment schemes' assets

There are two parts: i) general issues on the custody function; and ii) specific principles on the appointment and ongoing engagement of custodians. Open to 10 Dec.

Recent publications of interest (in English and Spanish):

- Regulation Flash: *EU adopts a leverage ratio definition 'largely' aligned with Basel standards*
- Regulation Flash: *The European Commission publishes the final version of the LCR Delegated Act*
- Regulation Flash: *The ECB publishes the Guidelines to Banking Supervision*

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

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