

REGULATION

Weekly Regulation Update

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

EUROPE

- [D. Nouy, Chair of the ECB Supervisory Board, on existing supervisory practices](#)

Letter to banks explaining supervisory processes. The Joint Supervisory Teams (JST) coordinator will be the contact point for requests and notifications of significant entities.

- [ESMA consults on the credit ranking agencies regulation](#)

It calls for evidence on compliance with its aims: to increase competition and increase the available options, as well as minimising conflicts of interest in the industry. Open to: 31 Mar.

- [ESMA on Market Abuse Regulation and non-deliverable forward contracts](#)

It has sent technical advice to EC in order to prepare technical standards covering market abuse, and a feedback statement on the consultation about non-deliverable forward contracts.

- [ECON on indexes used as benchmarks in financial instruments and financial contracts.](#)

It publishes amendments to its proposed regulation. Voting in ECON expected in Mar.

- [EC publishes recommendations on pension funds and investment treaties](#)

It recommends granting pension funds a two-year exemption from central clearing requirements for OTC derivatives and proposes greater transparency in Investor-to-State Dispute settlements in existing and future investment treaties.

- [Other publications from European Supervision Authorities \(ESAs\)](#)

i) EBA updates its interactive tool for the single rulebook to include the BRRD; ii) new work stream at EIOPA on infrastructure investments by insurers. EIOPA publishes reports on: iii) costs and charges of occupational pension funds (IORPs), and iv) system of governance and own risk and solvency assessment (ORSA), in the Solvency II framework.

- Two regulations published in the OJEU

On the powers of ECB to impose sanctions and key information documents (KIDs) for packaged retail and insurance-based products (PRIIPs).

UNITED KINGDOM

- FPC acquires new powers over macroprudential policy instruments

The Financial Policy Committee (FPC)'s powers confirmed over housing market instruments (limits to debt-to-income and loan-to-value ratios) and a leverage ratio framework.

- PRA consults on increasing protection for depositors and policyholders

It proposes transitional provisions and new rules to minimise the negative impact in the event of failures of banks or insurance companies. Open to: 27 Feb.

- FCA consults on buy-to-let mortgages

It aims to introduce the legislative framework contained in EU's Mortgage Credit Directive (MCD). Open to: 19 Mar.

UNITED STATES

- Fed consults on requirements for smaller banking groups

This affects the requirements on own funds and reporting. It expands the applicability to institutions with less than USD500mn which fulfil certain qualitative requirements. Open for 60 days.

- FSOC increases transparency in the process of non-bank designations

Non-banking institutions which could pose a risk to the financial stability of the US will be subject to supervision by the Fed and greater prudential requirements.

GLOBAL

- FSB publishes its first annual report

It contains financial statements (minimal, since it is funded by the BIS), as well as an overview of actions and ongoing work up to Sep 2014, in the framework of the global regulatory reform.

- [BCBS consults on accounting for expected credit losses](#)

Fundamental principles to follow in the introduction and application of an accounting framework which does not depend exclusively on current conditions and historical data. Open to: 30 Apr.

- [BCBS, IOSCO and IAIS consult on managing credit risk](#)

They review current practices among banks, insurance and securities firms, with implications for regulatory and supervisory frameworks. They propose recommendations for supervisors. Open to: 4 Mar.

- [ISDA assesses the introduction of goals in OTC derivative markets](#)

It indicates compliance with objectives for portfolio compression and increasing clearing. This trend is expected to continue.

- [BCBS publishes a report on financial inclusion](#)

It explains the process of adapting supervisory and regulatory practices to the changes in digital financial inclusion. Based on a survey carried out in over 50 countries.

- [IOSCO consults on non-traditional credit rating agency products](#)

Focused on issuers, it is the first step in increasing understanding about these products. Subsequently, users and investors will be consulted. Open to: 23 Mar.

Recent publications of interest (in English and Spanish)

- [Regulation Outlook | Special Edition: Regulation 2015](#)
- [ECB Watch: The ECB delivers a strong QE](#)
- [Press article: After the SSM, the SRM and the SRF](#)
- [Regulation Watch: MREL and TLAC: What are the consequences of breaching them?](#)
- [Regulation Watch: Compendium on Resolution Strategies: a multiple-point-of-entry view](#)

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

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