

Financial Regulation: Weekly Update. 20 November 2015

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GLOBAL

- G20 leaders' communiqué on the Antalya summit

They adopt exhaustive [agenda](#) that focuses on: i) implementation of past commitments, ii) boosting investment and iii) advancing inclusive global economic growth.

- BIS issues two reports for G20 leaders with respect to the Antalya summit

With regard to: i) [the state of play](#) of financial reforms, stressing that finalisation is going well, and ii) [implementation](#) of the Basel standards, saying that this has generally been timely.

- BCBS on review of the prudential framework for the trading book

[Impacts](#) of the proposal (44 banks in the sample), with an increase of 74% in required market risk capital. Definitive framework by the end of 2015.

- FSB on standards and processes for securities financing transactions (SFTs)

Official global data [collection and aggregation](#) will begin at the end 2018. Seeks to obtain a complete perspective on market developments and achieve timely risk detection.

- FSB peer review of the macro-prudential policy framework and bank resolution in Turkey

[Concludes](#) that it has adequate measures in place but urges the development of new risk assessment functions and acceleration of the implementation of resolution tools.

EUROPE

- ESMA asks the EC to delay certain elements in MiFID/MiFIR implementation

The areas [most affected](#) are reference data, transaction and position reporting, transparency parameters and publication. [Foresees](#) that certain parts will not be ready until 2018.

- EBA consults preferential treatment in cross-border intragroup support under LCR

[Criteria](#) for applying preferential treatment regarding inflows and outflows on liquidity facilities in cross-border intragroup support. Includes requirements for providers and receivers of liquidity. Deadline: 13 Jan.

- [ESMA consults on the methodologies of credit rating agencies \(CRAs\)](#)

Discussion [paper](#) on historical robustness, and discriminatory and predictive power of methodologies used. Deadline: 19 Febr.

- [Council adopts regulation on SFTs and updates directive on electronic payment services](#)

i) Regulation on [transparency](#) of SFTs to enhance the financial stability of shadow banking. ii) Member states have [two years](#) to transpose the updated [directive](#).

- [ECON publishes 2015 annual report on banking union](#)

Reviews progress regarding the [three pillars](#): SSM, SRM and a deposit guarantee scheme (DGS) and says that a common DGS is an indispensable component to complete the banking union.

- [ECB concludes comprehensive assessment for nine systemically important banks](#)

[Identifies](#) a capital shortfall of EUR1.74bn across 5 banks (out of 9 examined) and steps to be taken. Similar to the 2014 exercise carried out by the ECB, the national competent authorities (NCAs) and without the EBA.

- [The SRB publishes a summary of working priorities in 2015](#)

[Highlights](#) the tasks performed in 2015 (resolution planning and fund, internal organisation and budget) so that it will be fully functional by 1 Jan.

- [The EC presents a proposal for investment protection and dispute settlement for TTIP](#)

Main [proposals](#) regarding the investor-to-state dispute settlement (ISDS) mechanism, based on transparent proceedings, clearly-defined rules and qualified judges.

- [EC on solvency II implementing rules and regulatory equivalence](#)

Publishes the following in the OJEU: i) technical standards on imposing, calculating and eliminating [capital](#) additions, [reporting](#) to the supervisor, external credit [assessments](#), [share indexes](#) and calculating the capital requirement for [currency risk](#) (effective: 1 Dec), and ii) the equivalence of the central counterparty frameworks in [Canada](#), [Switzerland](#), [South Africa](#), [Mexico](#), [the Republic of Korea](#) (effective: 3 Dec).

- [EC and Eurogroup update regarding the Greek financial assistance programme](#)

Agreement on first set of measures, including those regarding the financial sector, which are essential to being able to transfer funds to [recapitalise](#) the Greek banking sector.

- Other ESMA publications on MiFID, EMIR and OTC derivatives

i) MiFID: operation [protocol](#) for databases and a new pan-EU [database](#) for pan-EU suspensions and removals from trading; ii) update of technical standards for [data reporting](#) under EMIR, and iii) final report with [draft technical standards](#) on the Clearing Obligation - Interest rate OTC derivatives in additional currencies.

SPAIN

- CNMV on accounting standards, annual reports and insider information reporting

[Circular](#) which applies to investment services companies, collective investment schemes, venture capital companies and venture capital management companies. Effective: 18 Nov.

- Bank of Spain approves circular on bank foundations

[Obligations](#) for these foundations and standard compensation and corporate governance reporting forms for savings banks that do not issue securities traded on official markets.

UNITED KINGDOM

- FCA launches asset management market study

[Suggests](#) that a marginal improvement in competition would be of considerable benefit to investors given the size and long-term of investments. Comments up to 18 Dec.

- FCA consults on peer-to-peer (P2P) agreements and use of third party technology

i) Rules and guidelines for publishing information and advising with regard to [P2P](#), and ii) guidelines on requirements for companies outsourcing [technology](#). Deadlines: 31 Dec and 12 Feb.

- PRA: Contractual stays in financial contracts governed by third-country law

[Publishes](#) the final rule which comes into effect on 1 Jun 2016 for agreements with credit institutions or investment companies and on 1 Jan 2017 for the rest.

- Government publishes rules to transpose the EU payment accounts directive (PAD)

The [aim](#) is to finalise the rules before the year-end. Effective: September 2016.

UNITED STATES

- OCC, FRB and FDIC issue guidelines on investments in covered funds

Intended to [clarify](#) the interaction between capital rules and the Volcker rule regarding investment in covered funds to avoid overlapping Tier 1 capital deductions.

- [SEC on transparency and regulatory oversight of alternative trading systems \(ATs\)](#)

Proposes rules for listed securities to [provide](#) greater transparency for investors and improve the capital market structure.

- [Fed announces the annual indexing of reserve requirements of depository institutions](#)

[Raises](#) the amount exempt from reserve requirements and changes how often deposit reports should be submitted, with effect from 2016.

Recent publications of interest (in English and Spanish)

- [Press article](#). TLAC: All creditors contribute?
- [Presentation](#). Global trends in banking regulation
- [Regulation Flash](#). First FSB report on the effects of the G20 global reforms
- [Regulation Watch](#). Final TLAC rules in line with the expectations
- [Regulation Watch](#). U.S. TLAC rules are tougher than the final FSB requirements
- [Financial Regulation Outlook](#). November 2015

Previous editions of our Weekly Regulation Update in [Spanish](#) and [English](#)

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