

Financial Regulation: Weekly Update. 01 April 2016

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GLOBAL

- [Financial Stability Board meets in Tokyo](#)

Themes to [highlight](#) i) advance on second annual report on the implementation and effects of reforms ii) systemic risk of asset management activities and shadow banking iii) second emerging market and developing economies forum iv) guidance on resolution of CCPs.

- [BIS in consultations on the use of internal models for prudential purposes](#)

[It proposes](#) restrictions on its use in the calculation of minimum counterparty credit risk requirements. Deadline: 24 June

EUROPE

- [EC publishes Bank Recovery and Resolution Directive \(BRRD\)](#)

[This adopts](#) delegated acts concerning the content of restructuring and resolution plans, the conditions for financial support, the requirements in place for independent valuers, contractual bail-in recognition, notifications and resolution authority mechanisms.

- [EC on an effective EU insolvency framework](#)

[Focused](#) on key insolvency aspects. These include common standards that guarantee the working of the framework within a cross-border context. Deadline: 14 June

- [EC in consultations on EU general budget regulation](#)

[Opinions are being sought](#) on changes to EU budget policy which aim to simplify regulatory structures and establish a clear accountability framework. Deadline: 27 May

- [ECB issues securitisation guidelines](#)

Procedure for the recognition of a significant [transfer](#) of credit risk. This will be monitored by originators directly supervised by the ECB for securitisations subsequent to 24 Mar.

- [EBA in consultations on FINREP and GAAP](#)

[It is seeking out](#) opinion on a national level through the relevant state authorities, tackling specific questions from each country. Deadline: 15 April

- [ESMA to consult on the Market Abuse Regulation](#)

Guidelines cover expected or required [information](#) on derivatives markets or in relationship to spot markets.

Deadline: 20 May

- ECB publishes its annual report on supervision along with NOD regulations and guidelines

The report provides information on supervisory activities in 2015. It also publishes regulations and [guidelines](#) regarding the harmonisation of national options and discretions (NODs) concerning banking supervision.

- EBA publishes reports on the support factor regarding SMEs and remuneration

(i) Effectiveness of the [supporting factor](#) for SMEs is limited. (ii) The number of [high wage earners](#) in banks has increased while the average ratio between fixed and variable remuneration has decreased.

- EBA publishes its decision on benchmark rates (Mortgage Credit Directive)

[This specifies](#) the formula to be used by creditors when calculating the benchmark rate, applicable after publication in the OJEU.

- ESRB to publish adverse macro-financial scenario for EBA 2016 stress tests

[Four main threats](#): sudden change in risk premiums worldwide, lower profits for banks and insurance companies, debt sustainability and rapid growth in shadow banking.

- ESMA notifies EC of limits on raw material derivatives

ESMA will work on its [opinion](#) on the matter, and has declared an interest in the timely and full implementation of MiFID II.

- EIOPA publishes a potential macro-prudential outlook regarding Solvency II

Within a context of low interest rates, there are three main [objectives](#): increasing the strength of the insurance sector, limit higher-risk collective action in pursuit of profitability and avoid procyclicality.

- ESM publishes its sovereign risk discussion paper

This paper analyses the two [main options](#) under consideration for a change in the prudential handling of sovereign risk: positive risk weights and large exposures limits.

- European Parliament publishes report on prospectus regulation

The report covers [securities](#) offered to the public or admitted to trading. Proposes amendments to the EC text improving access to credit for European companies. [Next step](#): reading before the Council.

- ESMA publishes annual report on compliance and regulatory activities in 2015

Provides an overview of the [activities](#) of ESMA and the accounting enforcers of the EEA when examining compliance of financial information provided by issuers listed on regulated markets.

SPAIN

- The Bank of Spain maintains its countercyclical buffer at 0% for Spain's credit exposure

In [2Q2016](#). The decision is consistent with analysis of indicators to prevent systemic risk associated with excessive credit risk.

UNITED KINGDOM

- The Financial Policy Committee sets their countercyclical buffer at 0.5%

Binding from 29 March 2017, the date on which Pillar 2, aimed at [improving transparency](#) and promoting buffer system incentives, is due to be amended.

- FCA on disclosures to consumers by non-ring-fenced bodies

[Declaration](#) on the information provided by customers with accounts in this non-ring-fenced bodies.

UNITED STATES

- Authorities issue guidelines to banks issuing prepaid cards

This concerns the application of the requirements of the customer [identification](#) programme. Financial institutions must have sufficient information on card holders.

- The Fed to begin evaluating faster payment systems

[It has hired](#) McKinsey & Company to assist a working group to assess proposals from a number of suppliers for a quicker, more efficient payment system.

Recent publications of interest (in English and Spanish)

- [Presentation](#). New requirements for loss absorbing capacity: TLAC and MREL
- [Financial Regulation Outlook](#). March 2016.
- [Digital Economy Outlook](#). March 2016
- [Regulation Watch](#). UK proposal on MREL: alignment with TLAC

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

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