

Financial Regulation: Weekly Update. 08 April 2016

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GLOBAL

- [BIS revises the Basel III leverage ratio](#)

[Consultation](#) on derivatives, purchases and sales of financial assets, off-balance sheet and additional requirements for G-SIBs. Update of [FAQs](#). Deadline: 6 Jul.

- [BIS publishes report on effective implementation of Basel III](#)

Second report on [variability of risk-weighted assets](#) in the banking book when internal models are used and description of sound practices in banks' model validation functions.

- [FSB releases Phase I Report to foster transparency in climate-related financial risks](#)

The Task Force on Climate-Related Financial Disclosures issues a [report](#) and a [consultation](#). Recommendations for voluntary disclosures expected by the end of the year. Deadline: 1 May.

- [IOSCO issues study on cyber risk](#)

The [report](#) provides a review of the different regulatory approaches regarding cyber security and the different potential tools available to regulators to deal with this threat.

- [OICV-IOSCO updates information repository for OTC derivatives central clearing](#)

[Provides](#) consolidated information on clearing requirements and possible exemptions product-by-product in the different jurisdictions.

EUROPE

- [ESMA launches a consultation about UCITS share classes and remuneration guidelines](#)

i) focuses on high-level principles of undertakings for collective investment in transferable securities (UCITS) [share classes](#) (deadline: 6 Jun); ii) final guidelines on sound [remuneration policies](#) under the UCITS and the AIFMD; and iii) it sends a letter to the EC, EP and the European Council on the [proportionality principle and remuneration rules](#) in the financial sector.

- [EBA issues two consultations](#)

i) On draft amending standards on [CVA](#) proxy spread (deadline: Jul 2016) and ii) on guidelines on corrections to [modified duration](#) for debt instruments (Jun 2016).

- [ECB publishes list of supervised entities](#)

[Updates](#) list of supervised entities and [criteria](#) applied to define significant and less significant institutions.

- [EIOPA guidelines on supervision of branches of third-country insurance undertakings](#)

They seek to ensure a consistent, efficient and effective [policyholder protection](#).

- [ESMA on exchange-traded derivatives \(ETDs\) and on trade repositories \(TRs\)](#)

i) Not necessary a transitory exclusion of [ETDs](#) from non-discriminatory access to CCPs. ii) Amended regulatory standards related to data across [TRs](#).

- [EIOPA consults on supervisory reporting](#)

[Amendments](#) to templates and guidelines under Solvency II. Deadline: 3 May.

- [ESRB on macroprudential measures of the Belgian and Luxembourg authorities](#)

i) It [supports](#) the Belgian decision to extend the period for stricter capital requirements for residential mortgages. ii) Notification of the [automatic recognition](#) of countercyclical buffers of other MS up to 2.5% by Luxembourg authorities.

- [ESRB amends its recommendation on funding of credit institutions](#)

It extends some time periods of the original recommendation aimed at promoting [sustainable funding structures](#) for credit institutions.

- [ESMA reduces to one day the margin period risk for CCP client accounts](#)

Following the US equivalence decision, it [amends](#) the EMIR RTS to reduce the period of time from two days to one day to collect margins. Requires EC endorsement.

- [ECB presents annual report](#)

[Presents](#) financial system's risks, shadow banking issues, macroprudential measures.

SPAIN

- [CNMV will adopt ESMA guidelines on complex debt instruments and structured deposits](#)

[Expected](#) to be applied from 3 Jan 2018. [They](#) narrow the definition of non-complex products and entities will have to run more often a convenience test.

UNITED KINGDOM

- [FCA consults on the interaction between the capital planning buffer and CRD IV buffers](#)

Investment firms subject to FCA's prudential arm and subject to CRD IV have to calculate a [combined buffer](#) from 1 Jan 2106 to 1 Jan 2019. Deadline: 29 Apr.

- [FCA publishes business plan for 2016-2017](#)

Priorities: i) pensions, ii) financial crime and anti-money laundering, iii) wholesale markets, iv) advice, v) innovation and technology, vi) governance and vii) customers.

UNITED STATES

- [Fed includes certain U.S. general obligation state and municipal securities as HQLA](#)

Allows some [investment-grade securities](#) to be counted as high-quality liquid assets if they meet the same liquidity criteria than corporate debt securities. Effective by 1 Jul.

Recent publications of interest (in English and Spanish)

- [Presentation](#). New requirements for loss absorbing capacity: TLAC and MREL
- [Financial Regulation Outlook](#). April 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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