

## Financial Regulation: Weekly Update. 27 May 2016

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### GLOBAL

- FSB publishes thematic review of policy framework for Shadow Banking entities

Concludes that implementation of FSB's policy framework for the oversight and regulation of shadow banking is at an early stage and that more work is needed for a rigorous application.

- ISDA and TCH release a paper on resolution of CCPs

Based on 7 key elements, it identifies resolution tools or approaches for further discussion and evaluation by the official sector and industry.

- BIS publishes a global code of conduct for currency markets

The first phase of the Global Code of Conduct and principles for adherence to the new standards were released to promote a robust and transparent market.

### EUROPE

- EC adopts delegated regulations on MREL and valuation of derivatives

EC endorses EBA's RTS on MREL, although with several amendments. Approves EBA's RTS on valuation of liabilities arising from derivatives.

- ESMA issues draft technical standards and clarifies reporting of reference data

i) Two final draft RTS on indirect clearing under MIFIR and EMIR and ii) communication to align some Market Abuse Regulation with the new MIFID II timelines.

- EIOPA launches EU-wide insurance stress test

Aimed at assessing vulnerabilities. It will focus on two major market risks: i) low-yield environment and ii) negative market shock to asset prices combined with low risk-free rate.

- EC launches two consultations on banking prudential regulation (CRR/CRD IV)

i) on proportionality in market risk capital framework and review of the original exposure method, ii) on the implementation of the Net Stable Funding Ratio. Deadline: 24 Jun.

- [ECON public hearing on EDIS](#)

Highlights significant [differences](#) in experts' opinions on the final shape of EDIS and obstacles to overcome. There was more unanimity on the need for an impact report.

- [EBA issues final Guidelines on stress tests for DGSs](#)

[Guidelines](#) lay down a methodology for running these tests on deposit guarantee schemes, including stages, simulated scenarios and indicators to be measured.

- [ECB publishes Financial Stability Review](#)

Euro area [systemic stress](#) remained contained. Financial system resilient in face of vulnerabilities from EMEs. Banking sector repair continues amid challenges to profitability.

- [European Council adopts rules on corporate tax information sharing](#)

The [directive](#) sets up rules on reporting by multinational companies of tax-information and exchange between MS, in order to address tax base erosion and profit shifting.

- [EC refers POLAND to the Court of Justice of the EU](#)

For [failing](#) to correctly implement the Deposit Guarantee Schemes Directive, following the request to Poland on 10 Dec 2015 to fully transpose it.

- [EC's Delegated Regulation on ex post contributions published in the OJEU](#)

[Based](#) on the RTS on deferral of ex-post contributions to resolution funds and the determination of critical functions and core business lines.

- [EC Implementing Regulation in relation to CRR published in the OJEU](#)

Amends technical [standards](#) with regard to formats for the disclosure of the values used to identify global systemically important institutions. Entry into force: 26 May.

## UNITED KINGDOM

- [FCA publishes observations on recovery plans](#)

The [note](#) finds most recovery plan submissions timely and reasonably structured, though there is room for improvement in areas such as quality, completeness and credibility.

- [FCA consults on wind-down planning](#)

The UK FCA has [published](#) a proposal on wind-down planning for firms to consider how to close their business in an orderly manner. Deadline: 22 Jul.

## SPAIN

- [CNMV will comply with ESMA's guidelines on assessment of knowledge and competence](#)

[Notification](#) to ESMA. Their [goal](#) is to set up criteria to test knowledge and competence of staff providing investment advice or financial information. Entry into force: 3 Jan 2018.

## UNITED STATES

- [FDIC Report on Mobile Banking](#)

[Identifies](#) a set of strategies for banks to consider in order to meet underserved consumers' needs.

Recent publications of interest (in English and Spanish):

- [Regulation Watch](#). Setting a limit to leverage in banking. May 2016
- [Presentation](#). New requirements for loss absorbing capacity: TLAC and MREL
- [Financial Regulation Outlook](#). May 2016
- [Digital Economy Outlook](#). May 2016

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

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