

Financial Regulation: Weekly Update. 8 May 2015

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SPAIN

- Bank of Spain informs on financial stability and state aids for the Spanish banking sector

i) Financial Stability Report: includes comparative analysis of RWAs and the impact of Spanish banking restructuring on their business model. ii) Update on state aid for the banking sector between 2009 and 2015.

EUROPE

- EC tables a proposal for the creation of digital single market in EU with 16 initiatives

To be delivered in 2016 and comprising 3 pillars: i) access to digital products and services; ii) a level playing field for new services (data protection directive to be reviewed) and iii) growth potential of the digital economy.

- Meeting of the European regional consultative group of the FSB

It analysed: i) risks from low interest rates; ii) sovereign regulatory treatment; iii) banking union; iv) insurance, and v) changes to banking business models.

- EBA publishes final guidelines on recovery plan indicators

Includes qualitative and quantitative indicators which the institutions should include in their recovery plans, with changes from the original draft.

- EBA reviews new issues of hybrid capital instruments (AT1)

Provisional position regarding several aspects, such as the conditions for early redemption due to regulatory changes. Final position by end-May.

- EBA consults on rating agencies and the credit assessments for securitisations

The technical standards will allow the credit ratings of registered agencies to be used to calculate requirements of entities. Open to: 7 Aug.

- ECB will carry out a comprehensive assessment in 2015 of new systemically important entities

Identifies nine credit institutions which will have to conduct a comprehensive assessment due to their systemic importance.

- EC publishes on Transatlantic Trade and Investment Partnership (TTIP)

EU proposal for a legal text on regulatory cooperation in TTIP, after the 9th round of negotiations between EU and US.

- ESAs publish 5th report on risks and vulnerabilities in the EU financial system

The risks from the previous report have intensified: i) asset price volatility; ii) search for yield; iii) deterioration in the conduct of business, and iv) cyber-attacks.

- EP and Council reach political agreement on the Payment Services Directive (PSD2)

Adapts existing rules to new payments services (via internet and mobile phones) and reinforces consumer supervision and protection. Pending formal approval.

- EP plenary sitting approves draft law on money market funds (MMFs)

The objective is to provide for more security, transparency and investor protection. Next step: trilogues.

- ECON publishes on indices used as benchmarks

Report on proposed regulation of EP and Council. Voting in plenary expected on 19 May.

- ECB publishes study on the working of the euro money market in 2014

Indicates that it is at the recovery phase, thanks to stabilisation of market activities in a context of declining excess liquidity.

- ESMA recognises 10 third-country CCPs and issues final guidelines on commodities

i) These Central Counterparties (CCPs) can offer services and activities in the EU. ii) The guidelines provide common definitions on commodities derivatives in MiFID (effective since 7 Aug).

- EIOPA updates information on Solvency II to facilitate its implementation

Provides important information and legal texts on a special web-site, urges insurers to focus on reporting and announces a second set of guidelines in 3Q15.

- Three ECB publications in the Official Journal of the EU

i) Regulations on securities portfolio statistics and decisions on: ii) annual supervisory fees for 2015, and iii) internal regulations of the ECB. Effective: 28 May, 29 Apr and 12 Feb.

UNITED KINGDOM

- PRA publishes statement on supervising international banks

Finalised rule for implementation of the Branch Return. Reports on the activities of supervised institutions operating in the UK but based outside the country.

- PRA proposes changes in the handbook inherited from the Financial Services Authority (FSA)

Consults on rules regarding: i) passporting for institutions; ii) regulatory reports; iii) governance of third-country branches, and iv) the internal capital adequacy assessment process (ICAAP) and supervisory review and evaluation process (SREP). Open to: 30 Jun.

UNITED STATES

- SEC proposes rules on cross-border security-based swaps

The aim of the Securities and Exchange Commission (SEC) is to enhance transparency and improve supervision. Affects non-US persons with activities in the US.

- Federal Agencies publish final rule on Appraisal Management Companies (AMCs)

Provides for minimum requirements for supervision and registration of these companies. They offer appraisal services to principals in secondary mortgage markets.

GLOBAL

- IOSCO on sound practices at large intermediaries in financial markets

Consults on alternatives to the use of credit ratings to assess creditworthiness, proposing 13 recommendations to this end. Open to: 8 Jul.

- IMF and OECD on macro-prudential measures (MPMs) and capital flow management (CFMs)

They publish their respective approaches to analyse what CFMs are also MPMs, based on the request from the G20 in Feb 2015. Link to IMF and OECD documents.

- BIS publishes OTC statistics at end-Dec 2014

Highlights: i) market trading in 2H14; ii) surge in growth of risk amounts, and iii) growing importance of central clearing.

Recent publications of interest (in English and Spanish)

- [Financial Regulation Outlook](#). April 2015
- [Digital Economy Outlook](#). April 2015
- [Regulation Watch](#): Completing banking union
- [Regulation Watch](#): TLAC QIS: the next milestone in designing the optimal loss-absorbing framework
- [Banking Outlook](#). Primer Trimestre 2015 (in Spanish only)

Earlier editions of our Financial Regulation: Weekly Update in [Spanish](#) and in [English](#).

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