

## Financial Regulation: Weekly Update 19 June 2015

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### SPAIN

- [CNMV issues a statement on short-selling transactions](#)

To guarantee that shares sold are available on settlement, and to stop participants who sell short from benefitting from any downward movement in the share price.

- [Bank of Spain publishes Annual Report and Financial Stability Review](#)

The Annual Report highlights, among other things, the effectiveness of the banking restructuring process. The review reports on progress on banking regulation, corporate governance, reform of post-trade securities services, and credit risk and liquidity in sovereign bonds.

- [Transposition of the BRRD in Spain published in BOE \(Official State Gazette\)](#)

Law 11/2015 on recovery and resolution of credit institutions and investment services firms becomes effective on 20 Jun.

### EUROPE

- [Council agrees final position in Banking Structural Reform](#)

ECOFIN approved its position. Next steps: EP will resume negotiations in September. Trilogues to start when Parliament reaches an agreement.

- [Council on capital markets union \(CMU\) and Eurozone governance](#)

ECOFIN adopts conclusions on CMU

and invites EC to include in the action plan to be released in Sep 2015 a detailed roadmap and timelines. It also discussed next steps towards more integration in the Eurozone ahead of the 25 Jun European Council.

- [EC publishes action plan and consults on improved tax treatment for companies in the EU](#)

Includes initiatives to reduce tax evasion and relaunch the CCCTB (Common Consolidated Corporate Tax Base) for companies. Consults on tax transparency (open to: 9 Sep).

- [ECON approves its position on future governance of the Eurozone](#)

Serves as EP input for the European Council on 25 Jun, where the [5 Presidents](#) Report will be presented and progress on banking, economic, fiscal and political union discussed.

- [Council approves its position on data protection rules](#)

The new harmonised data protection rules are a key step forward to the EU Digital Single Market ([DSM](#)). Next step: trilogues. Final agreement expected before end-2015.

- [EP and Council agree common position on securities financing transactions](#)

Seeks to [increase transparency](#) and [avoid activity shifting](#) into the shadow banking sector as a consequence of structural regulation. Next step: plenary voting (scheduled for [6 Oct](#)).

- [EBA issues amended technical standards on leverage ratio disclosure](#)

[Implementing Technical Standards \(ITS\)](#) updates the templates to be used in reporting to supervisors and the market. Effective on the day after publication in OJEU.

- [EBA informs on validation rules for reporting requirements](#)

Issues a [revised](#) list of validation rules in its Implementing Technical Standards (ITS) on supervisory reporting.

- [EBA and ESMA publish their 2014 annual reports](#)

[EBA](#) highlights the further development of the Single Rulebook and work on supervisory convergence and transparency. Together with its report, [ESMA](#) announces a shift towards implementation of rules and ensuring supervisory convergence.

- [EBA identifies eight new topics regarding consumer trends in 2015](#)

[These are](#): household indebtedness, transparency and comparability of banking fees, innovation in payments, structured deposits, selling practices, use of consumers' banking data, alternative financial services providers and interest rates.

- [Public hearing with the Chair of the Single Resolution Board \(SRB\) at ECON](#)

Elke König [reported](#) on key operational and institutional subjects concerning the SRB and the state of play regarding resolution legislation.

- [European Court of Justice backs the ECB's debt securities purchase programme \(OMT\)](#)

The [final ruling](#) approves the use of this instrument as it belongs within the orbit of monetary policy and does

not constitute monetary financing for Member States.

- Two publications in the Official Journal of the EU

i) Regulation on Key Information Documents (KIDs) relating to retail investment products and Packaged Retail and Insurance-Based Investment Products (PRIIPs), and ii) Delegated Regulation on regulatory technical standards on own funds requirements.

## UNITED KINGDOM

- FCA issues final rules on restrictions on retail distribution

To limit the distribution of common equity tier 1 (CET1) instruments (contingent convertible securities (CoCos) and share instruments issued by mutual societies), and clarifying that these are subject to the assumption of losses.

- FCA calls for input on digital and mobile solutions and payment accounts

Regarding: i) rules to facilitate innovation regarding mobile and digital services, and ii) services linked to payment accounts and subject to fees. Open to: 7 Sep and 17 Jul.

- PRA publishes two statements on Solvency II

On: i) information to be reported by investment firms using an internal model to calculate the solvency capital requirement (SCR), and ii) identifying and managing potential short- and long-term risks in line with the Own Risk and Solvency Assessment.

## UNITED STATES

- Agencies finalise revisions to capital rules applicable to advanced approaches banking organisations

The final rule modifies capital rules and enhances consistency with international standards. Applies to large, internationally active banking organisations. Effective: 1 Oct.

- FDIC revises contributions to deposit insurance system for small banks

Consults on assessing the risk of banks which affects risk-sensitive contributions. The aggregate amount is not modified. Open to: 60 days after publication in Register.

## GLOBAL

- [BIS and IOSCO on principles for infrastructures of financial and securities markets](#)

i) [BIS and IOSCO](#) publish the second update on monitoring the implementation of the principles for financial market infrastructures. ii) [IOSCO](#) publishes report on key enforcement factors that may deter misconduct in international securities and investment markets.

- [ISDA updates information on BRRD implementation](#)

Summarises [state of play](#) regarding Member States with a focus on measures relating to derivatives.

Recent publications of interest (in English and Spanish)

- [Financial Regulation Outlook: May 2015](#)
- [Digital Economy Outlook: May 2015](#)
- [Regulation Watch: BRRD transposition in Spain: a milestone in implementing an effective resolution regime](#)
- [Situación Banca. Segundo Trimestre 2015](#)

Previous Weekly Regulation Updates in [Spanish](#) and [English](#).

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