

Financial Regulation: Weekly Update. 10 July 2015

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SPAIN

- [Senate passes bill to transpose Solvency II in Spain](#)

Final approval of the Draft Law on the organisation, supervision and solvency of insurance and reinsurance institutions. Publication in the Official State Gazette (BOE) expected in July.

EUROPE

- [EBA publishes final guidelines on resolution in the context of the BRRD](#)

i) requirements regarding procedures and notifications to be sent by entities which are failing or likely to fail
ii) criteria for determining the minimum requirement for own funds and eligible liabilities (MREL)
iii) minimum content for contractual clauses when applying bail-in with regard to liabilities that are eligible for bail-in and issued under laws outside the EU
iv) guidelines on the functioning of resolution colleges: operational requirements, joint decisions in resolution planning and cross-border resolution
v) requirements for selecting independent valuers
vi) guidelines and technical standards for EU authorities to assess whether an institution is eligible for simplification of information obligations
vii) technical standards on procedure and information to be sent to the resolution authority to draw up a resolution plan
viii) guidelines and technical standards to harmonise the conditions for intra-group capital and liquidity support in situations of stress and the information requirements to which they are subject.

- [EBA consults on capital requirements for mortgage loans](#)

Technical standards on conditions to be taken into account by the competent authorities when raising the minimum requirements. Deadline: 6 Oct.

- [EBA responds to the request from the Commission on high-quality securitisations](#)

Opinion and report focussing on: i) criteria for defining “qualifying securitisations”, and ii) preferential treatment for these in the banking solvency rules.

- [ESAs consult on guidelines for the prudential assessment of qualifying holdings](#)

The guidelines aim to harmonise supervisory practices in the EU and to provide more clarity to acquirers on how they should notify of the acquisition. Deadline: 2 Oct.

- Plenary session of the EP approves its position on capital markets union and TTIP

i) Gives a positive assessment of the proposal, but urges the EC to speed up work regarding the action plan to achieve capital markets union in late 2018. ii) Approves Parliament's position in negotiations on TTIP.

Next steps: 10th round of negotiations over 13-17 July.

- EIOPA launches a consultation, technical advice and a set of technical standards and guidelines

Consults on: i) advice to the EC on identification and calibration of infrastructure investment risk categories for financial investments (deadline: 9 Aug). Publishes: ii) technical advice on product intervention powers regarding insurance-based investments products, and iv) second set of technical standards and guidelines with respect to Solvency II.

- EIOPA publishes on pensions

i) Consults on creation of a standardised pan-European Personal Pension Product (PEPP) (deadline 5 Oct), and ii) highlights measures to facilitate the transfer of pension rights.

- ECB issues guideline on the legal framework for accounting and financial reporting in the ESCB

For standardisation of this within the Eurosystem's European System of Central Banks (ESCB) and to clarify reporting of securities issued by supranational or international organisations.

- EBA publishes report on risks and vulnerabilities in the European banking sector

Seventh report which highlights the fact that there are still challenges to be faced by the banking system, as well as the fragility and volatility of markets, and it tells of the positive performance by the deposit base.

- EBA publishes opinion on Regulatory Technical Standards (RTS)

Supports the EC amendment to regulatory technical standards which specify exceptions regarding currencies that feature constraints on the availability of liquid assets.

UNITED KINGDOM

- PRA announces changes to bank deposit protection

i) Adjustments to deposit protection consistent with the European directive, and ii) update of policies to administer deposit guarantee schemes.

UNITED STATES

- [FDIC publishes resolution plans for larger entities](#)

Informs on the resolution plans for 12 major banks in the United States which were submitted on 1 July.

GLOBAL

- [BIS publishes revised principles on the corporate governance of banks](#)

Highlights the importance of effective governance and risk management. Urges a strong board of directors with robust committees and effective control functions.

- [BIS publishes Frequently Asked Questions on the leverage ratio framework](#)

Groups these into six blocks, adding a new one since the last version (Oct 2014): the treatment of long settlement transactions and failed trades.

- [FSB publishes on reforming major interest rate benchmarks](#)

Informs on progress made in major interest rate benchmarks (IBORs) and the development and introduction of alternative near risk-free interest rate benchmarks ("RFRs").

- [ISDA publishes recommendation regarding single-name CDSs](#)

Aimed at improving liquidity and clearing for these CDSs. These transactions will roll semi-annually instead of quarterly.

Recent publications of interest (in English and in Spanish)

- [Financial Regulation Outlook: June 2015](#)
- [Digital Economy Outlook: June 2015](#)
- [Regulation Watch](#): EU loss-absorbing capacity requirement: final MREL guidelines
- [Regulation Watch](#): The 5 Presidents Report: a milestone for enhancing the Euro governance
- [Situación Banca](#). Segundo Trimestre 2015

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