

Financial Regulation: Weekly Update. 13 January 2017

Matías Daniel Cabrera / Pilar Soler / Alvaro Romero

GLOBAL

- FSB publishes policy recommendations for asset management activities

Sets out 14 **recommendations** to address structural vulnerabilities such as liquidity mismatch, leverage or operational risk, that could potentially present financial stability risks.

EUROPE

- ESRB publishes report on cyclicalities of capital requirements

Clarifies whether risk-sensitive bank capital requirements, as laid down in the CRR and CRD, create unintended pro-cyclical effects. It recommends to maintain the current framework.

- EBA publishes opinion on the equivalence of supervisory and regulatory requirements

Domestic laws and prudential regulations in Turkey and New Zealand can be regarded as **equivalent** to those applied in the European Union.

- EBA publishes updated risk dashboard for Q3 2016

Periodical update: EU banks' CET1 reached new highs, increasing by 50 bps, NPLs were 10 bps below Q2. RoE decreased to 5.4%.

- ESMA publishes methodology regarding CCPs' authorization and supervision

The **methodology** presents, among others things, information on the legal basis and scope for the mandatory peer review regarding CCPs' authorization and supervision under EMIR.

- ESMA publishes report on the supervision of MiFID best execution requirements

Finds that national regulators are giving greater attention to **best execution requirements** under the Markets in Financial Instruments Directive (MiFID).

- ESMA issues opinion regarding the application of MiFIR product intervention powers

It calls for consistent application of **product intervention powers** under MiFIR. These powers can be

exercised by both national competent authorities and ESMA from Jan 2018.

- **ESMA publishes extract from enforcement decisions regarding financial statements**

The objective is to provide information on the appropriate application of IFRS to financial statement users. It includes 14 decisions taken from ESMA's confidential database.

- **EIOPA publishes monthly technical information for Solvency II**

Information on the **relevant risk free** interest rate term structures for the month of December.

- **OJEU publishes ECB's recommendations on dividend policy**

It clarifies **requirements** to satisfy (Pillar 1, Pillar 2 required and other buffers), as well as determining different categories depending on their level of compliance.

Recent publications of interest (in English and Spanish):

- **Flash. Global | 2016 G-SIBs List.** November 2016
- **Regulation Watch. New package of banking reforms.** November 2016
- **Regulation Watch. Europe:TLAC implementation and MREL review.** November 2016
- **Financial Regulation Outlook.** January 2017
- **Digital Economy Outlook.** October 2016

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

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