

## Financial Regulation: Weekly Update. 31 March 2017

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### GLOBAL

- [BIS consults on changes of GSIB assessment methodology](#)

**Proposes:** removal of cap and changes of weights on substitutability category, expansion of consolidation scope, changes on cross-jurisdictional activity definition, revision to disclosure requirements, guidance on bucket migration, and transition schedule. Deadline: 30 Jun.

- [BIS publishes report on implementation of principles for risk data aggregation and reporting](#)

Although some [progress](#) has been made, G-SIBs have not completed the implementation of the principles. The Committee considers the level of compliance unsatisfactory.

- [BIS publishes disclosure requirements under Pillar 3](#)

**Enhancement** of Pillar 3 framework to promote market discipline through disclosure requirements. New TLAC disclosure requirements will be binding from 1 Jan 2019 onwards.

- [BIS publishes standards on regulatory treatment of accounting provisions](#)

**Retains** the current regulatory treatment of accounting provisions for an interim period. Sets out principles for transitional arrangements to take effect from 1 Jan 2018.

### EUROPE

- [ESMA updates Q&A on the application of CRA regulation](#)

Adds a [new section](#) on “Disclosure and Presentation of Credit Ratings”, and ensures the timely publication of CRAs’ ratings and outlooks.

- [SSM publishes list of EU supervised entities](#)

**Updates** list of significant and less significant institutions (as of Jan 2017). Specific grounds and criteria for direct supervision are indicated.

- [EC blocks proposed merger between Deutsche Börse and London Stock Exchange](#)

It **concluded** that a merger could create a monopoly in the markets for clearing fixed income instruments.

## SPAIN

- [CNMV publishes measures on the marketing of speculative products to retail investors](#)

Requires brokers to [warn their clients](#) of these product's risks, including the possible effect of leverage on losses, and the fact that the CNMV considers them unsuitable for retail clients.

## UNITED KINGDOM

- [PRA issues letter on stress test model management](#)

It sets the [principles](#) to be followed by firms participating in the 2017 exercise. The objective is to develop guidance for banks to improve the standards of stress tests.

- [BoE publishes key elements of 2017 stress test explaining the two scenarios](#)

The first [assesses](#) whether banks have enough capital to absorb losses and keep lending during an economic shock. The second considers a longer period with intensified stress.

- [PRA publishes report on banks' regulatory capital](#)

It [presents](#) data from 4Q2016 for the UK banking sector. CET1 capital ratio increased by 0.3 pp on the last quarter. This is due to an increase in CET1 capital and a reduction in RWAs.

- [PRA consults on the Internal Ratings Based \(IRB\) approach](#)

Requests [feedback](#) on proposed changes to IRB supervisory statement. The aim is to improve IRB application process, and clarify supervisory expectations. Deadline: 28 Jun.

## UNITED STATES

- [FED publishes annual financial statements](#)

Releases annual audited [financial statements](#) for the combined Federal Reserve Banks, twelve individual FRBs and the board of governors.

Recent publications of interest (in English and Spanish):

- [Press Article](#). Creating Green Opportunities. March 2017
- [Press Article](#). Shadow banking: time to step out into the light. March 2017
- [Regulation Watch](#). White Paper on the future of Europe. March 2017

- [Regulation Watch](#). New package of banking reforms. November 2016
- [Financial Regulation Outlook](#). January 2017
- [Digital Economy Outlook](#). January 2017

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

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