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Summary

What to expect from Antalya's G20 Summit

Finalise global financial reform agenda and address new risks. The G20 leaders will meet on 15-16 November and are expected to: support the full, consistent and prompt implementation of agreed global financial reforms; finalise the design of remaining post-crisis reforms; and address new risks and vulnerabilities derived from market-based financing, misconduct risk and climate change.

Banking conduct and culture

A key competitive advantage in the long-term strategy. On 30 July, the G30 released a report entitled *Banking Conduct and Culture. A Call for Sustained and Comprehensive Reform*. It states that entities have to lead by example in the recovery of trustworthiness and credibility in the financial sector. The G30 emphasises that there are still important gaps and issues recommendations. It highlights that ethics and reputation are the variables that make the difference in the long-term, as they enable the achievement of higher rates of return.

Setting in motion the Capital Markets Union

Analysing the Action Plan: overview. On 30 September, the European Commission presented the Action Plan on building a Capital Markets Union (CMU). This document provides a more detailed road-map until 2017, with a wide range of initiatives. CMU is essentially a long-term project but immediate priorities have been identified. This is the second article of a series in which the short-term initiatives of the plan will be analysed.

BRRD: Overview of the EBA's level 2 legislation

The crucial role of the EBA in developing the BRRD. The Bank Recovery and Resolution Directive (BRRD) empowered the European Banking Authority (EBA) to adopt legislative texts on specific topics of the Directive. With thirty-five technical standards and guidelines published so far, EBA's role has been decisive in clarifying and completing the BRRD. Indeed, it has successfully implemented harmonised definitions for all Member States of the EU.

Single Supervisory Mechanism

First year balance. Next week will mark the first anniversary of the SSM entering into operation. During these last months and for the first time, all entities of a certain size which fall within the euro area have been supervised in a very homogeneous way and under the same regulatory framework. Thus, progress has been made in the design of a balanced level playing field among entities, regardless of their geographical location.

Payment services and financial inclusion

A mutually beneficial relationship. As the first financial services to be offered to the unbanked population, payments play a key role in enhancing financial inclusion. At the same time, financial inclusion, by increasing the number of cashless payments, positively affects the overall efficiency of a country's payment systems. These links between payments and financial inclusion have recently been examined by the BIS and the World Bank in a consultative report.

1 What to expect from Antalya's G20 Summit?

Finalise global reform agenda and address new risks

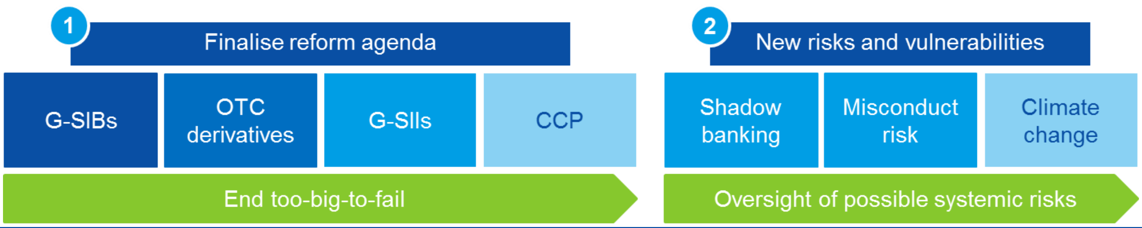
G20 leaders will meet on 15-16 November and are expected to: support the full, consistent and prompt implementation of agreed global financial reforms; finalise the design of remaining post-crisis reforms; and address new risks and vulnerabilities derived from market-based financing, misconduct risk and climate change.

Focus on the three I's strategy

Antalya's G20 Summit will take place on 15-16 November. The summit will be centred on the Turkish presidency's premise of three I's: **Inclusiveness**, **Implementation** and **Investment for Growth**. The **first I** will be pursued, among other actions, by strengthening the G20's collaboration with the World SME Forum. This is an independent organisation that will help to develop policy and business solutions for small and medium-sized enterprises, similar to the Global Infrastructure Hub that was set up last year by the G20. The **second I** will be achieved by completing the implementation of the financial reform agenda set out since 2009. The **third I,** Investment for growth is possible, as stated by Mark Carney (FSB Chairman), by maintaining an open and resilient global financial system such that its ability to finance investments in the real economy is not hindered.

A full, consistent and prompt implementation of agreed reforms is aligned with this latter objective, as is finalising the design of remaining post-crisis reforms and addressing new risks and vulnerabilities faced by the global financial system.

Figure 1.1
Expected G20 focus on financial regulation



Source: BBVA Research

Main pending issues of the financial reform agenda

Ending 'too big to fail' is the most relevant pending reform to be fully designed and implemented. The Total Loss Absorbing Capacity (TLAC) of G-SIB banks is in its final phase of discussion and should be formally announced at Antalya's G20 Summit. Additionally, the standard for higher loss absorbency (HLA) requirements for global systemically important insurers (G-SIIs) was published on 5 October and a reference to it will probably be made during the Summit. Finally, a reference should be made to the coordinated work plan to promote the resilience of central counterparties (CPP) and ensure they do not become too big to fail.

Another pending reform to be fully implemented is **making derivatives markets safer**. Improvements have been made on comprehensive reporting of over-the-counter (OTC) derivatives; however they have been behind schedule due to legal roadblocks to the reporting, sharing and aggregation of data. An agreed timeline to tackle such issues among G20 members is to be expected.

New risks and vulnerabilities

Identifying risks stemming from market-based finance (shadow banking) will continue to be an objective of the G20. Encouraging the use of individual and systemic stress testing of funds under difficult market liquidity conditions, and the implementation of minimum haircuts on securities financing among non-bank transactions is also to be expected.

The FSB considers **misconduct risk** to be a rising risk that can have the potential to create systemic risks. Recently, an action plan was agreed upon and a reference to it by the G20 is expected. It will probably be accompanied by an agreed timeline of implementation on four main actions: examine reforms to incentives; reform benchmarks; improve global standards of conduct, and assess the possible withdrawal from correspondent banking.

Finally, **climate change and the financial sector** were recently brought to the forefront by the FSB Chairman and will probably be mentioned by G20 leaders. The discussion is only beginning, but three risks have been identified: physical risks (direct impacts on property); liability risks (from parties who suffered damage and seek compensation), and transition risk to a lower-carbon economy. For the time being, their values are uncertain, but they will certainly grow over time. Consequently, disclosure standards of such risks in financial instruments might be encouraged by the G20.

2 Banking conduct and culture

A key competitive advantage in the long-term strategy

On 30 July, the G30 released a report entitled *Banking Conduct and Culture. A Call for Sustained and Comprehensive Reform.* It states that entities have to lead by example in the recovery of trustworthiness and credibility in the financial sector. The G30 emphasises that there are still important gaps, and issues its recommendations. It highlights that ethics and reputation are the variables that make the difference in the long term, as they enable the achievement of higher rates of return.

Restoring trustworthiness and credibility: banks must lead with example

The banking business relies on trust, and trust is hard to earn but easy to lose. A huge risk for the industry would be not to learn from past mistakes. Therefore, trust and ethics have to be the *most wanted* milestone of the financial industry.

Banks have to assume their leadership by self-regulation in order to restore confidence and credibility. The board and the management are the first people responsible for ethical behaviour. They have to undertake their duties ethically and lead by example. An ethical conduct and banking culture that reflect empathy with all of the stakeholders are a competitive advantage of the utmost importance in the new environment. The new context has three main features: i) an *intelligent corporate governance* where managers have to anticipate *nasty surprises* and to manage risks wisely and carefully; ii) more transparent relationships with clients, and iii) the digital transformation that bolsters transparency, quality information and competition.

Regulation and supervision are useful complementary tools and they can make a secondary contribution. It is not the task of supervisors and regulators to determine the banking conduct of the entities. Supervision can help ex-ante through prevention and early intervention. It can monitor and assess entities to prevent non-desired events as a consequence of inadequate behaviour. Regulation can provide ex-post support via requirements and sanctions.

Our assessment

We share the reflections of the G30 Report. Prudence, integrity and transparency are three essential principles for establishing a trustworthy and durable relationship with each of the stakeholders. Ethical behaviour, jointly with personal and professional integrity, must be inherent to the way of understanding and conducting all the activities.

A code of conduct must show clearly and concisely the path for the whole organisation. The social impact caused by the activities must always be considered. Entities have to be committed to the reliance which shareholders and clients have entrusted to them.

Customers must be at the centre of entities' activities. They are the lever that propels the entire value chain for banks, with the objective of establishing long-lasting relationships. Relationships have to be based on mutual confidence. It is firms' responsibility to contribute, through their activities, to the progress and sustainable development of the societies in which we work, committing themselves to their citizens and institutions.

Business models should be based on a prudent and anticipatory management approach that always seeks principle-adjusted returns, with a customer-centric focus and leveraging of technology.

3 Setting in motion the Capital Markets Union

Analysing the Action Plan: overview

On 30 September, the European Commission presented its Action Plan on building a Capital Markets Union (CMU). This document provides a more detailed road-map until 2017, with a wide range of initiatives. CMU is essentially a long-term project but immediate priorities have been identified. This is the second article of a series in which the short-term initiatives of the plan will be analysed.

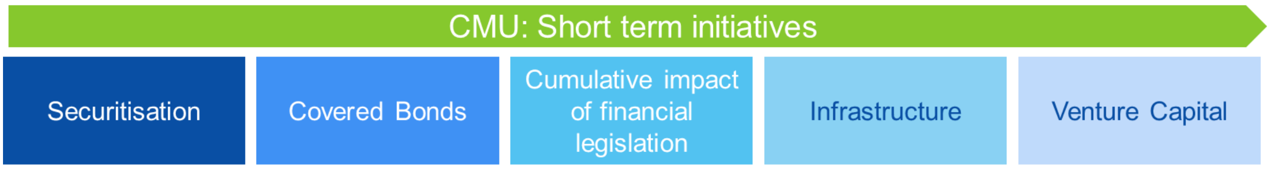
Six main objectives

The CMU is Europe's new flagship project, aimed at creating a deeper, broader and more integrated capital market under a multi-pronged strategy. In the end, it will contribute to completing the Single Market and enhancing economic growth and investment. It is a multi-disciplinary project that contains a wide range of initiatives clustered under six main objectives:

- **Finance for innovation, start-ups and non-listed companies**. This is aimed at increasing the funding sources that businesses and SMEs can access in an early stage of their growth. It includes the next steps to be accomplished by the Commission regarding: i) crowd-funding; ii) venture capital; iii) overcoming information barriers for SMEs; iv) loan originating funds, and v) private placements.
- **Easing the access to public markets for SMEs**. The Commission will act on: i) the Prospectus Directive, modernising it and creating a proportionate regime for SMEs; ii) facilitating access to public markets by SMEs, addressing existing regulatory barriers; iii) the corporate bond market, with a focus on liquidity improvement, and iv) the debt-equity tax bias.
- **Investing for the long term, infrastructure and sustainable investment.** A key driver of long-term investments is the regulatory framework which has already been revised in Solvency II for insurance companies, and which is also being reviewed in the Capital Requirements Regulation for banks. Moreover, the Commission is initiating a comprehensive review of the cumulative impact of financial regulation.
- **Fostering retail and institutional investment.** Aimed at removing the barriers for retail investors' savings, the Commission will publish a Green Paper on retail financial services and insurance and will also undertake an assessment to improve the access of retail investors to suitable products. Regarding institutional investment, work will be mainly focused on addressing the regulatory framework of long-term investments (ELTIFs and infrastructure) and on the existing barriers to the cross-border distribution of investment funds.
- **Leveraging banking capacity to support the wider economy.** The Action Plan highlights the importance of bank funding for businesses and SMEs and accordingly the Commission will review banking regulation, to ensure an optimal balance between managing risks and enabling growth. Credit Unions are also recognised as important instruments in supporting growth. In order to eliminate obstacles for the development of its activity, the Commission will study the possibility of allowing Member States to authorise Credit Unions not subject to the CRD regulatory framework, allowing all Member States to benefit from these entities.
- **Facilitating cross-border investing**. With the objective of eliminating barriers and facilitating the diversification of geographical portfolios of investors, the Commission will work on: i) providing legal certainty for cross-border investments; ii) removing national barriers; iii) promoting financial stability and supervisory convergence, and iv) easing international investment.

Along with the action plan, the Commission has launched several initiatives for the short term that will be individually analysed in following publications. The first of them, promoting a robust EU securitisation framework, was already anticipated in the October publication.

Figure 3.1
Short-term initiatives under CMU



Source: BBVA Research

Assessment

The Action Plan is a move in the right direction, as it strikes an appropriate balance between the need to foster economic growth by means of revitalised capital markets and the imperative to safeguard financial stability.

Nevertheless, it is a long-term project and it will take time until tangible results materialise. It is crucial to ensure a healthy and robust banking systems which is able to provide credit and with a central role in capital markets as issuers, investors and intermediaries.

4 BRRD: Overview of the EBA's level 2 legislation

The crucial role of EBA to develop the BRRD

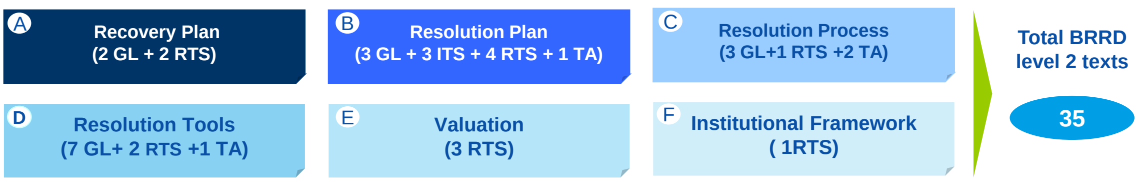
The Bank Recovery and Resolution Directive (BRRD) empowered the European Banking Authority (EBA) to adopt legislative texts on specific topics of the Directive. With thirty-five technical standards and guidelines published so far, the EBA's role has been decisive to clarify and complete the BRRD. Indeed, it has successfully implemented harmonised definitions for all Member States of the EU.

The BRRD, which was adopted in spring 2014, establishes a common regulation framework to resolve banks in an easier, faster and more reliable manner that minimises the use of public funds and that ensures the stability of financial and banking services. The approval of the Directive did not mark the end of the road for the development of the EU Crisis Management framework. In fact, at that point, the EBA took the responsibility to elaborate the level 2 legislative process in order to clarify and complete certain sections of the BRRD. Indeed, the Directive empowers the EBA to develop a wide range of binding technical standards, guidelines and reports on key areas of recovery and resolution, with the aim of ensuring effective and consistent procedures for resolution regimes across the European Union. Also, the EBA contributes to the creation of the European Single Rulebook that helps to establish a level playing field for financial institutions across the EU.

The EBA's procedure of drafting a document comprises different phases. First, it publishes the documents for consultation and holds a public hearing to gather comments together with alternative regulatory choices. Then, the EBA has to take into account the feedback of the Banking Stakeholder Group (BSG) and the financial industry during the public consultation period. As a last step, the EBA submits the final draft to the European Commission for endorsement, following which it undergoes the scrutiny of the European Parliament and the Council before it is published in the Official Journal of the European Union.

As shown in Figure 1, so far, the EBA has published a total of thirty-five BRRD level 2 texts (comprising more than1,000 pages) that can be classified in six main areas. These documents clarify how the primary legislation should be applied in order to promote convergence of the practices of national competent authorities, by setting out EBA's views on appropriate supervisory practices. The first set of documents is related to the details of the content and design of the recovery plan. Regarding the development of the resolution plan, the EBA has released eleven papers, among which the one related to MREL stands out. The third category comprises six reports that specify the resolution process (highlighting the early intervention and resolution triggers and the procedure of notification). The fourth group focuses on the resolution tools, emphasising the bail-in mechanism that will take effect on 1 January 2016. The fifth concerns valuation papers of the assets and liabilities under resolution procedures. Finally, there is one document describing the institutional framework. Currently, the final version of seven documents must be released by the end of 2015.

Figure 4.1
BRRD Level 2 texts developed by EBA



(*) Abbreviations: ITS: Implementing Technical Standards; GL: Guidelines; RTS: Regulatory Technical Standards; TA: Technical Advice

Source: BBVA Research

5 Single Supervisory Mechanism

First year balance

Next week will mark the first anniversary of the SSM entering into operation. During these last months and for the first time, all entities of a certain size which fall within the euro area have been supervised in a very homogeneous way and under the same regulatory framework. Thus, progress has been made in the design of a balanced level playing field among entities, regardless of their geographical location.

The SSM is already a reality and perfectly operational with many successes on its shoulders. In fact, in just over a year it has developed the supervisory methodology, necessary recruitment has been done in order to perform the supervision and in this brief period, the SSM has become a key player as one of the largest supervisor worldwide by assets under supervision.

However, these achievements are due not only to the efforts performed in Frankfurt but also to the work carried out by the National Authorities which, must not be forgotten, are along with the ECB part of the SSM. Thus, it’s in the National Authorities where the knowledge of the institutions lies.

The entry into operation of the SSM has also affected the entities daily life in such a way that, they had to adapt not only to a new methodology but also to a new environment. For example, in daily aspects such as the language, where in most cases English has turned to be the most common language rather than their national language.

This new methodology called SREP (Supervisory Review and Examination Process) is not a mechanical process as qualitative aspects are also taken into account. In addition, it is a holistic and prospective process in which the supervisor aims to gain a broad view of the institution beyond that contained in the financial information, a feature still relevant.

The main SREP pillars comprise: i) corporate governance and risk management; ii) business model analysis; iii) capital and iv) liquidity.

The first pillar performs, among other things, a comprehensive assessment of the organizational structure of the entity verifying that the decision-making processes are adequate and that the members of the management board meet the appropriate requirements to fulfill their roles. This aspect had and still has a preponderance for the SSM where there’s a clear commitment to international best practices. Meanwhile, within the European Union´s various governance models a certain degree of diversity remains, which should be taken into account when defining the best practices in such a way that no single model will prevail but instead it will combine the best of each.

The business model analysis, second pillar, assesses the ability to generate results in a period of 12 months (viability) and 3 years (sustainability). This is one aspect which raises more questions from a practical point of view as there are as many business models as financial institutions, where not necessarily a business model is economically superior than other.

Among many other tasks, the liquidity and capital pillars analyze the credit or market risk and funding risk. In these areas, discrepancies remain in the degree of implementation of the legislation in each of the countries which prevent a complete uniformity and comparability within the euro area. However, European authorities are laying the groundwork seeking to converge within a reasonable period of time.

In the coming weeks, financial institutions will receive from the SSM the prudential requirements decision for next year. These requirements may include quantitative measures, i.e.: capital and liquidity requirements, but also qualitative requirements. Both measures should be an essential part of the internal management of the institutions.

The assessment of the first supervisory exercise carried out under the SSM is clearly positive, although we must pursue a constructive dialogue between the interested parties. In this regard, only a solid supervisory framework could avoid future financial crises taking place.

6 Payment services and financial inclusion

A mutually beneficial relationship

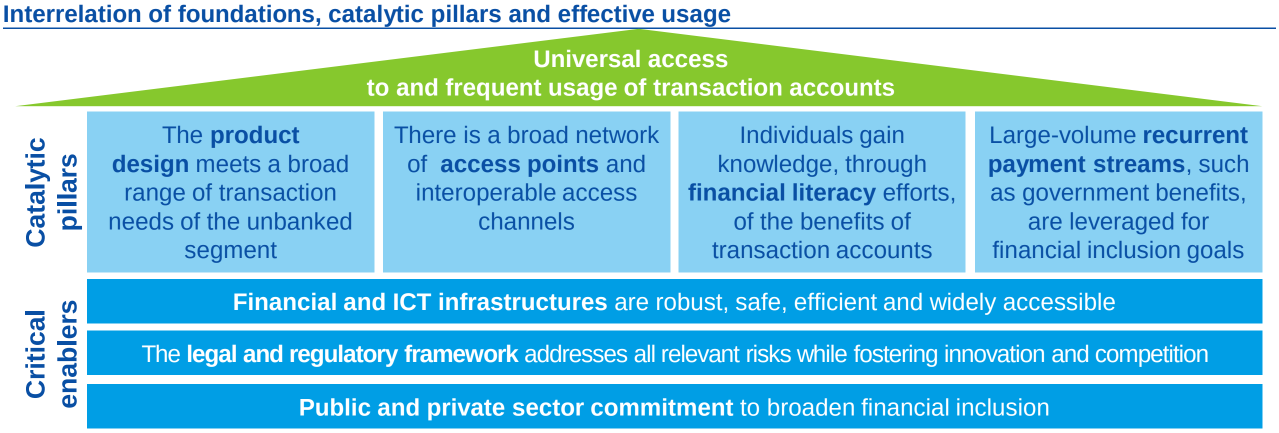
As the first financial services to be offered to the unbanked population, payments play a key role in enhancing financial inclusion. At the same time, financial inclusion, by increasing the number of cashless payments, positively affects the overall efficiency of a country's payment systems. These links between payments and financial inclusion have recently been examined by the BIS and the World Bank in a consultative report.

Payment services (i.e. transaction accounts and payment instruments) are a critical part of the financial system. They are not only the most frequently used services - conditioning customer experience and engagement - but also the gateway for providing other financial products such as credit, savings and insurance. From a financial inclusion perspective, payments are the primary daily need of unbanked individuals that can be satisfied by formal financial service providers. Therefore, efforts to offer efficient, safe, widely accessible and customer-friendly payment services play a key role in promoting financial inclusion. At the same time, increasing the number of transaction accounts and payments carried out by a country's payment systems positively affects the overall efficiency of these systems, due to economies of scale and network externalities. There is thus a virtuous circle between improving payment systems and enhancing financial inclusion.

However, as financial inclusion is the situation in which all working-age adults have effective access to the set of financial services that meet their needs, using a transaction account and their associated payment instruments is in most cases just an initial step in becoming fully financially included. Hence, there is an important distinction, from a financial inclusion perspective, between transaction accounts provided by deposit-taking institutions, giving access to a broader range of financial services (savings, credit, insurance, etc.), and those provided by other Payment Service Providers (PSPs), such as e-money accounts, with more limited functionalities. Still, these basic transaction accounts help individuals in getting used to formal financial services and represent a first step towards financial inclusion.

The links between payments and financial inclusion have recently been examined in depth in in a consultative report – open for comments until 7 December – jointly prepared by the Committee on Payments and Market Infrastructures (CPMI) of the Bank for International Settlements (BIS) and the World Bank Group. The report identifies three foundations (critical enablers) and four catalytic pillars that are important for enabling access to, and usage of, payment services by the financially excluded.

Figure 6.1
Interrelation of foundations, catalytic pillars and effective usage



Source: BIS and the World Bank Group

Main regulatory actions around the world over the last month

	Recent issues	Upcoming issues
GLOBAL	On **5 Oct IAIS** published higher loss absorbency requirement for G-SIIs and the **FSB** endorsed this On **5 Oct FSB** published report on progress in financial reforms ahead of the G20 Antalya Summit On **6 Oct CPMI** issued recommendations and releases consultative report on correspondent banking On **8 Oct ISDA** selected a new utility to meet margining requirements for non-cleared derivatives On **9 Oct IMFC** discussed in its Thirty-second Meeting about financial reform, global economy, among other issues On **9 Oct G20** finance ministers endorsed the final package of measures to prevent tax avoidance, and urged the OECD to prepare a framework by early 2016 On **19 Oct BIS** published FAQs on the counter-cyclical capital buffer in Basel III On **19 Oct ROC** published a consultation on including data on branches in the Global LEI System In **Oct IMF** published full Global Financial Strategy Report In **Oct BIS** published the ninth progress report on adoption of the Basel regulatory framework	In **Nov Turkey** will host the G20 Leaders summit in Antalya
EUROPE	On **24 Sep the EC** launched two public consultations, one on geo-blocking and the other one on the role of platforms in the digital economy On **29 Sep EIOPA** published its final technical advice on the identification and calibration of infrastructure investment risk categories under Solvency II On **30 Sep ESMA** published two sets of technical advice and a report on the regulation of credit rating agencies (CRAs) in the EU On **2 Oct ESMA** finalised and submitted to the European Commission a draft regulatory technical standard for the central clearing of CDS under the EMIR On **5 Oct ESAs** published their 2016 Work Programme where it states that a focus will be put on the "opportunities and challenges" related to the use of big data On **5 Oct ESMA** informed EC of delay in submitting the RTS on indirect clearing under MiFIR On **5 Oct ESMA** published final guidelines on alternative performance measures (APMs) On **6 Oct Council of the EU** approved political agreement on a directive aimed at cross-border tax On **8 Oct PE** approved revised directive on payment services (PSD2) On **8 Oct EC** published a consultation on the Common Consolidated Corporate Tax Base (CCCTB) On **8 Oct EIOPA** updated its Action Plan 2016 and reviews the methodology for Solvency II On **9 Oct ECB** published conclusions on comprehensive assessment of nine banks in November 2015 On **12 Oct EBA** published a consultation on its benchmark rate under the Mortgage Credit Directive (MCD) On **15 Oct ESMA** published semi-annual data on the distribution and performance of credit rating agencies (CRAs) On **16 Oct EBA** published work programme for 2016 that identified eight key strategic areas up to 2018 On **19 Oct EP** published report on Single Supervisory Mechanism (SSM) following a hearing by Mrs D. Nouy On **21 Oct EBA** published updates list of Common Equity Tier 1 (CET1) capital instruments On **21 Oct EC** confirmed measures to strengthen the EMU, included in the Five Presidents' Report On **22 Oct EC** referred six Member States to the Court of Justice of the EU for failing to transpose the BRRD	In **4Q 2015 EC** is expected to launch a public consultation on retail financial services, insurance and consumer policy issues In **2015 EC** will publish a proposal on an EU framework for recovery and resolution of systemically important financial infrastructures such as CCPs In **Nov 2015 EC** will publish a proposal for the revision of the Prospectus Directive
MEXICO	On **20 Oct the National Banking and Securities Commission (CNBV)** issued rules for the new energy and infrastructure investment vehicles (Fideicomisos de Inversión en Bienes Raíces de Energia e Infraestructura, Mexican energy and infrastructure REITS); these trusts will issue market traded notes which will entitle their holders to the revenue generated by the projects in which the Fibra E invested	The **CNBV** is expected to issue its implementation of the D-SIB regime in time for the 2016 international entry date; likewise, it will set its leverage ratio rules (which would be enforceable in 2018, but disclosed by banks during 2016)

Continued on next page

Main regulatory actions around the world over the last month (cont.)

	Recent issues	Upcoming issues
LATAM	On **22 Sep Argentina's Securities and Exchange Commission** changed the valuation method of public bonds holdings of the Mutual Funds. Bonds in foreign currency must be valued at the official FX rate, whereas previously they were valued at the FX rate implicit in the domestic bond market In **Oct, in Peru, the Superintendency of Banks and Insurance companies** is working on improving the set of policies which deal with country risk management In **Oct, in Colombia, the Financial Superintendency** issued some instructions regarding the computation of consolidated regulatory controls (Circular externa 037) and also published the integral supervisory framework (MIS for its Spanish acronym) which sets the main philosophical parameters of financial regulation in Colombia	**Colombia**'s Ministry of Finance is working on two studies that evaluate the **implementation of Basel III's capital buffers** in Colombia and the **composition of regulatory capital and solvency** required for pension funds, stockbrokers, fiduciary and insurance companies. Publication expected during **4Q15** **Colombian Congress** is studying a **legislative reform** that forbids **charges for ATM** withdrawals for accounts with average monthly transactions lower than three minimum monthly wages
USA	On **8 Oct SEC** approved a proposal by FINRA to expand transparency initiative for OTC equity securities On **22 Oct FDIC** adopted a proposal to increase the Deposit Insurance Fund (DIF) to the statutorily required minimum level of 1.35 percent On **22 Oct FDIC** approved a rule to establish margin requirements for swaps that are not cleared through a clearing house	Regulators are working to **complete some of the pending reforms outlined by the Dodd-Frank Act** before the next administration takes office (2017)
TURKEY	In **Jul the Central Bank of Turkey** announced a reduction of the USD deposit rate at one-week maturity from 3.5% to 3.0%, effective from 27 Jul, at which the banking sector will be able to borrow from the Central Bank of Turkey	
ASIA	On **30 Sep** the **PBoC** and **CBRC** announced new mortgage regulations. Among these is a requirement that the down-payment for first time home owners should be no lower than 25% of the total housing value	

Source: BBVA Research

Abbreviations

AIFMD	Alternative Investment Fund Managers Directive	**FROB**	Spanish Fund for Orderly Bank Restructuring
AQR	Asset Quality Review	**FSAP**	Financial Sector Assessment Program
BCBS	Basel Committee on Banking Supervision	**FSB**	Financial Stability Board
BIS	Bank for International Settlements	**FTT**	Financial Transactions Tax
BoE	Bank of England	**IAIS**	International Association of Insurance Supervisors
BoS	Bank of Spain	**IASB**	International Accounting Standards Board
BRRD	Bank Recovery and Resolution Directive	**IHC**	Intermediate Holding Company
CCAR	Comprehensive Capital Analysis and Review	**IIF**	Institute of International Finance
CCP	Central Counterparty	**IMF**	International Monetary Fund
CET	Common Equity Tier	**IOSCO**	International Organization of Securities Commissions
CFTC	Commodity Futures Trading Commission	**ISDA**	International Swaps and Derivatives Association
AMC	Company for the Management of Assets proceeding from Restructuring of the Banking System (Bad bank)	**ITS**	Implementing Technical Standard
CNMV	Comisión Nacional de Mercados de Valores (Spanish Securities and Exchange Commission)	**Joint Forum**	International group bringing together IOSCO, BCBS and IAIS
COREPER	Committee of Permanent Representatives to the Council of the European Union	**LCR**	Liquidity Coverage Ratio
CPSS	Committee on Payment and Settlement Systems	**LEI**	Legal Entity Identifier
CRA	Credit Rating Agency	**MAD**	Market Abuse Directive
CRD IV	Capital Requirements Directive IV	**MiFID**	Markets in Financial Instruments Directive
CRR	Capital Requirements Regulation	**MiFIR**	Markets in Financial Instruments Regulation
CSD	Central Securities Depository	**MMFs**	Money Market Funds
DGSD	Deposit Guarantee Schemes Directive	**MoU**	Memorandum of Understanding
DFA	The Dodd–Frank Wall Street Reform and Consumer Protection Act	**MPE**	Multiple Point of Entry
EBA	European Bank Authority	**MS**	Member States
EC	European Commission	**NRAs**	National Resolution Authorities
ECB	European Central Bank	**NSAs**	National Supervision Authorities
ECOFIN	Economic and Financial Affairs Council	**NSFR**	Net Stable Funding Ratio
ECON	Economic and Monetary Affairs Committee of the European Parliament	**OJ**	Official Journal of the European Union
EFSF	European Financial Stability Facility	**OTC**	Over-The-Counter (Derivatives)
EIOPA	European Insurance and Occupational Pensions Authority	**PRA**	Prudential Regulation Authority
EMIR	European Market Infrastructure Regulation	**QIS**	Quantitative Impact Study
EP	European Parliament	**RRPs**	Recovery and Resolution Plans
ESA	European Supervisory Authority	**RTS**	Regulatory Technical Standards
ESFS	European System of Financial Supervisors	**SCAP**	Supervisory Capital Assessment Program
ESM	European Stability Mechanism	**SEC**	Securities and Exchange Commission
ESMA	European Securities and Markets Authority	**SIB (G-SIB, D-SIB)**	Global-Systemically Important Bank, Domestic-Systemically Important Bank
ESRB	European Systemic Risk Board	**SIFI (G-SIFI, D-SIFI)**	Global-Systemically Important Financial Institution, Domestic-Systemically Financial Institution
EU	European Union	**SII (G-SII, D-SII)**	Systemically Important Insurance
EZ	Eurozone	**SPE**	Single Point of Entry
FASB	Financial Accounting Standards Board	**SRB**	Single Resolution Board
FBO	Foreign Bank Organisations	**SREP**	Supervisory Review and Evaluation Process
FCA	Financial Conduct Authority	**SRF**	Single Resolution Fund
FDIC	Federal Deposit Insurance Corporation	**SRM**	Single Resolution Mechanism
Fed	Federal Reserve	**SSM**	Single Supervisory Mechanism
FPC	Financial Policy Committee	**UCITS**	Undertakings for Collective Investment in Transferrable Securities Directive

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