

Financial Regulation: Weekly Update

22 June 2018

Regulation Unit

Highlights

Basel Committee issues progress report on Risk Data Aggregation. EP adopts internal position on banking package (CRD V). EBA publishes annual report, and issues a consultation on the conditions that institutions need to calculate K-IRB. In the USA, FRB publishes results from supervisory stress tests, and the SEC publishes a draft strategic plan.

GLOBAL

- [BCBS issues progress report on Risk Data Aggregation \(RDA\)](#)

Reviews [implementation](#) of the Principles of RDA by G-SIBS. Marginal progress was made in implementation. The report recommends that both banks and supervisors continue with the roadmap towards complete implementation.

EUROPE

- [EP adopts internal position on banking package](#)

After long negotiations, the Parliament has agreed an [internal position](#) on the so-called banking package (CRD V). Three-way negotiations between the Council, Parliament and the Commission will start before the summer break.

- [EBA publishes 2017 annual report](#)

[Contains](#) a detailed account of the work carried out in the last year (contributions to CMU initiatives, major role in cleansing banks' balance sheets and reducing NPLs, among others) and anticipates key areas of focus for 2018.

- [EBA consult on RTS on conditions that institutions need to calculate K-IRB for purchased receivables](#)

The RTS should specify in greater detail the [conditions](#) to allow institutions to calculate capital requirements of securitised exposures (K-IRB) for the underlying pools of securitisation. Deadline: 19 Sep.

- [SSM updates manual for Asset Quality Review of banks](#)

The [update](#) incorporates the implications of the entry into force of the new accounting standard IFRS 9 and reflects the increased importance of business models focused on investment services.

Creating Opportunities

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- [ECB working group consults on euro risk-free rates consults on potential successors to EONIA](#)

Seeks [feedback](#) on its assessment of three candidate euro risk-free rates: i) Euro short-term rate (ESTER), ii) GC Pooling Deferred and iii) RepoFunds Rate. Deadline: 13 July.

UNITED STATES

- [FRB publishes results from supervisory stress tests \(DFAST\)](#)

[Analyses](#) 35 largest banks, and concludes that they will be able to continue lending under the severely adverse scenario. Following the recent legislative change, banks with less than \$100 billion in consolidated assets are not reported.

- [Agencies issue host state loan-to-deposit ratios under Banking and Branching Efficiency Act](#)

With the objective of prohibiting banks from establishing branches outside their home state for the purpose of deposit production, [host state loan-to-deposit ratios](#) are used to test compliance with the statutory requirements.

- [OCC issues bulletin with clarifications on supervisory policies regarding CRA evaluations](#)

Aimed at promoting consistency and effectiveness, the [bulletin](#) clarifies the frequency, timing, scope and information used for undertaking Performance Evaluations.

- [SEC publishes draft strategic plan](#)

The plan will guide its [priorities](#) between 2018 and 2022. Main focus areas are investors, innovation and performance. Comments: 30 days from publication.

Recent publications of interest (in English and Spanish):

- [Press Article](#). Regulatory reform in the USA: From words to deeds
- [Press Article](#). SSBS: Low risk without mutualisation? June 2018
- [Regulation Watch](#). From words to action: Recent regulatory reforms in the U.S. June 2018
- [Regulation Watch](#). Europa | Liquidez en resolución. Mayo 2018
- [Financial Regulation Outlook](#). April 2018
- [Digital Economy Outlook](#). March 2018
- [Banking Outlook](#). May 2018

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

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