

Financial Regulation: Weekly Update

31 August 2018

Regulation Unit

Highlights

BCBS publishes amendments on Pillar 3 requirements. EBA issues three different consultations on supervisory reporting (for NPEs, STS and LCR). ECB issues opinions on prudential treatment of investment firms and covered bonds directive. OCC consults on proposal to modernise the CRA. FRB and FDIC extend submission deadline for some resolution plans.

GLOBAL

- [BCBS publishes amendments on Pillar 3 disclosure requirements](#)

Releases a [technical amendment](#) on additional Pillar 3 disclosure requirements for those jurisdictions implementing an expected credit loss accounting model.

EUROPE

- [EBA launches three consultations on supervisory reporting for the reporting framework 2.9](#)

i) [COREP](#): major revision of STS securitisation templates, ii) [FINREP](#): amendment of non-performing and forborne exposures reporting, P&L and IFRS16, iii) [COREP-LCR](#): review based on the incoming LCR delegated act. Deadlines: 27 Oct for LCR reporting, and 27 Nov for COREP and FINREP consultations.

- [ECB issues opinion on the review of prudential treatment of investment firms](#)

[Supports](#) the objective of setting out better tailored prudential framework, but warns that the proposed acts should be carefully assessed in order to avoid unintended consequences for other Union legal acts due to the change in the definition of credit institutions.

- [ECB issues two opinions on public supervisory and exposures on covered bonds directives](#)

Welcomes the objectives of both proposed directives. It is in favour of a developed, harmonised and high quality [covered bond market](#) in the Union. It also issues some specific observations on both proposed directives.

UNITED STATES

- [OCC consults on proposal to modernise the CRA, and issues CRA evaluation schedule](#)

Creating Opportunities

Regulation Weekly – 31 August 2018

i) Seeks [comments](#) on ways to update the Community Reinvestment Act in order to achieve the legislation's purpose, while reducing reporting and assessment burdens. Deadline: 75 days after publication in the Federal Register. ii) List of banks to be subject to [assessment](#) during 4Q 2018 and 1Q 2019.

- [FRB and FDIC extend deadline for the submission of some resolution plans](#)

In order to give the [agencies](#) more time to assess the current plans, and the institutions more time to prepare their next ones, it extends the submission deadline for one nonbank (31 Dec 2019), and four foreign banking organizations (1 Jul 2020).

- [CFTC issues no-action relief for certain loan-related swaps](#)

A conditional, [time-limited](#) no-action relief which allows banks not to count towards its swap dealer de minimis threshold some loan-related swaps (until 31 Dec).

- [FRB issues interim final rule regarding the small bank holding company policy statement](#)

It expands the [applicability](#) of the policy statement by raising the total asset threshold (from \$1 to \$3 billion). The statement facilitates the transfer of ownership of small community banks. Deadline: 30 days after publication in the Federal Register.

- [OCC issues guidance on implied sovereign support](#)

Guidance on how to determine borrowers' credit risk when there is an informal [expression of support](#) from a foreign government (not to be taken as a legally binding guarantee, and at most to be considered a mitigating factor).

Recent publications of interest (in English and Spanish):

- [Press Article](#). La integración de la sostenibilidad en el sistema financiero. July 2018 (only in Spanish)
- [Press Article](#). Completing the Banking Union is a priority. June 2018
- [Regulation Watch](#). How prepared are European banks to comply with MREL? August 2018
- [Regulation Watch](#). From words to action: Recent regulatory reforms in the U.S. June 2018
- [Financial Regulation Outlook](#). June 2018
- [Banking Outlook](#). August 2018

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

DISCLAIMER

This document has been prepared by BBVA Research Department, it is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

In regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions in the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. It is forbidden its reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process, except in cases where it is legally permitted or expressly authorized by BBVA.

Regulation

Lead Economist
Ana Rubio
arubiog@bbva.com

Arturo Fraile
arturo.fraile@bbva.com

Victoria Santillana
mvictoria.santillana@bbva.com

Matías Daniel Cabrera
matiasdaniel.cabrera@bbva.com

Pilar Soler
pilar.soler.vaquer@bbva.com

Javier García Tolonen
javierpablo.garcia@bbva.com

Álvaro Romero Mateu
alvaro.romero.mateu@bbva.com

Salvador Bekiaropoulos Donate
salvador.bekiaropoulos@bbva.com

BBVA Research

Chief Economist BBVA Group
Jorge Sicilia Serrano

Macroeconomic Analysis
Rafael Doménech
r.domenech@bbva.com

Digital Economy
Alejandro Neut
robertoalejandro.neut@bbva.com

Global Macroeconomic
Scenarios
Miguel Jiménez
mjimenezg@bbva.com

Global Financial Markets
Sonsoles Castillo
s.castillo@bbva.com

Long-Term Global Modelling and
Analysis
Julián Cubero
juan.cubero@bbva.com

Innovation and Processes
Oscar de las Peñas
oscar.delaspenas@bbva.com

Financial Systems and
Regulation
Santiago Fernández de Lis
sfernandezdelis@bbva.com

Digital Regulation and Trends
Álvaro Martín
alvaro.martin@bbva.com

Regulation
Ana Rubio
arubiog@bbva.com

Financial Systems
Olga Cerqueira
olga.gouveia@bbva.com

Spain and Portugal
Miguel Cardoso
miguel.cardoso@bbva.com

United States
Nathaniel Karp
nathaniel.Karp@bbva.com

Mexico
Carlos Serrano
carlos.serranoh@bbva.com

Middle East, Asia and
Big Data
Álvaro Ortiz
alvaro.ortiz@bbva.com

Turkey
Álvaro Ortiz
alvaro.ortiz@bbva.com

Asia
Le Xia
le.xia@bbva.com

South America
Juan Manuel Ruiz
juan.ruiz@bbva.com

Argentina
Gloria Sorensen
gsorensen@bbva.com

Chile
Jorge Selaive
jselaive@bbva.com

Colombia
Juana Téllez
juana.tellez@bbva.com

Peru
Hugo Perea
hperea@bbva.com

Venezuela
Julio Pineda
juliocesar.pineda@bbva.com

Creating Opportunities

Regulation Weekly – 31 August 2018