

# Financial Regulation: Weekly Update

07 December 2018

Regulation Unit

## Highlights

Eurogroup and EU Council reach a minimal agreement on Monetary Union reform and Banking Union completion. EU Commission and EU Council welcome political agreement reached on the Banking Reform Package. Responding to industry's concerns, ESAs allow proportionate application of STS securitizations regulation by national authorities.

## GLOBAL

- [BIS publishes report on observed cyber-resilience practises across jurisdictions](#)

It [classifies](#) the practices in 4 dimensions: i) Governance & culture; ii) risk measurement; iii) communication & information-sharing; iv) interconnections with third parties. Proposes 10 key findings to enhance cyber-resilience.

- [FSB-RCG discusses effects of the reforms, Crypto-assets and Fintech](#)

The Regional Consultative Group for the Americas (RCG) will [continue](#) to monitor risks relating to high debt levels, to assess resilience of evolving market structures and the impact of technological innovation.

## EUROPE

- [Eurogroup and Ecofin minimum agreement to strengthen EMU and Banking Union](#)

[Eurogroup](#) and [Ecofin](#) agreed common backstop to the SRF, a term sheet on the ESM reform and postpone until June 2019 EDIS discussion and possible EMU instruments for competitiveness, convergence and stabilization.

- [EU Commission and EU Council welcome political agreement on the Banking Package](#)

[EU Commission](#) and [Council](#) welcome provisional political agreement on the Banking Package with amendments to the CRR, CRD IV, BRRD and SRMR. Next steps: technical talks to finalise text.

- [EU Council agrees stance on supervision framework for CCPs](#)

Reached a compromise [position](#) on how EU and third country CCPs should be supervised in the future. Trilogues can now start for the revision of EMIR and the statute of the ESCB and the ECB.

- [EBA releases overview of implementation and transposition of CRD IV](#)

## Creating Opportunities

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It provides details of the implementation and transposition of [CRR and CRD IV](#) across Europe, as well as details of the use of discretionality of the NCAs and other methodological aspects relating to SREP.

- [ESAs clarify securitisation disclosure requirements and consolidated application of securitisation rules](#)

Expect CAs to apply their [supervisory powers](#) in a proportionate manner regarding disclosure and consolidated requirements, and to examine case by case the degree of compliance with the new STS regime.

- [ECB publishes cyber resilience oversight expectations for financial market infrastructures](#)

It [serves](#) three purposes by providing: i) steps on how to operationalise the guidance, ii) overseers with clear expectations to assess FMI; iii) the basis for a meaningful discussion between the FMIs & their overseers.

- [ESMA reports on annual market share of credit rating agencies \(CRAs\)](#)

Issues [CRAs](#) market share calculation. Its purpose is to facilitate issuers and related third parties to comply with the CRA regulation when evaluating CRAs with less than 10% total market share in the EU.

- [EBA guidelines exemption of fall back mechanism for account servicing payment service providers \(ASPSPs\)](#)

[Provides](#) clarity to ASPSPs and NCAs regarding the elements that should be considered for the purpose of an exemption and at ensuring a consistent application of the conditions for the 28 EU Member States.

## UNITED KINGDOM

- [HM Treasury issues SIs on financial services, investment funds and managers in the context of \*Brexit\*](#)

[Recognition requirements](#) for Investment Exchanges, Clearing Houses and Central Securities Depositories and draft [SIs for investment funds and managers](#). The objective is to correct the differences arising from *Brexit*.

- [FCA issues consultation on retail CFDs and binary options](#)

Seeks [feedback](#) in order to protect retail consumers from inherent risks and poor conduct of selling firms by banning the sale, marketing and distribution of binary options and restricting those of CFDs. Deadline: 7 feb 2019.

## UNITED STATES

- [Agencies issues statement on Anti Money Laundering and terrorist financing](#)

The [principles](#) encourage banks i) to evaluate & implement AML obligations; ii) to explore innovative approaches, including through pilot programs without penalizing banks that choose not to implement them.

- [OCC issues reduction on fees for regulated banks and saving associations](#)

It will [reduce](#) the payable fees by 10 percent starting with the March 31, 2019, assessment. Also, will allow refunds if a bank leaves the federal banking system within the first half of a semiannual assessment period.

## Creating Opportunities

- [OCC publishes semiannual risk perspective report](#)

Highlights: credit quality remains strong but they are focusing on origination quality. Operational and compliance risks are high. Rising interest rates may change funding costs. Growth of non financial corporate debt is a new risk.

- [CFTC publishes a proposed rule to provide exception to Annual Privacy Notice Requirement](#)

Under the [proposed rule](#), various participants in futures markets would no longer be required to issue annual privacy notices where certain conditions are satisfied. Deadline: 60 days from publication in Federal Register.

- [FDIC issues consultation on Deposit Insurance application process](#)

Seeks feedback related to the deposit insurance application process for organizers of new banks, and to promote a more transparent application process. Deadline: Sixty days from the publication in Federal Register.

## Recent publications of interest (in English and Spanish):

- [Press Article](#). SMEs and market financing: Myth or reality? November 2018
- [Press Article](#). European banks and the challenge of MREL. October 2018
- [Regulation Watch](#). Global | 2018 G-SIBs list: the three key changes. November 2018
- [Banking Outlook](#). November 2018

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

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## Creating Opportunities

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