

Financial Regulation: Weekly Update

Salvador Bekiaropoulos, Matías Cabrera, Arturo Fraile, Javier García, Ana Rubio, Williams Ruiz, Victoria Santillana, Pilar Soler

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Highlights

BCBS issues Basel III implementation progress report. EU Commission publishes recommendations for the EU's next strategic agenda of 2019-2024 and a list of priorities for the next BRRD review under the new EU Commission. EMMI applies for authorization from FSMA on hybrid euribor methodology.

GLOBAL

- **FSB publishes peer review on resolution planning**

[Third thematic review](#) on bank resolution planning. The report finds that planning is more advanced for G-SIBs and their home countries. Includes a list of recommendations to ensure resolution plans can be put into full effect.

- **BCBS reports on Basel III implementation progress**

Reviews the [implementation](#) of Basel III by Member jurisdictions. Includes risk-based capital standards, leverage ratio, global and domestic systemically important banks framework, NSFR and the large exposures framework.

EUROPE

- **EC makes recommendations for the EU's next strategic agenda 2019-2024**

It sets out a number of policy [recommendations](#) for how Europe can shape its future focus on 5 dimensions: Protective Europe; Competitive Europe; Fair Europe, Sustainable Europe, Influential Europe.

- **EC publishes BRRD review**

The [report](#) does not include a legislative proposal but rather a list of topics that the next Commission could focus on in the next BRRD review, such as harmonizing insolvency regimes for banks, liquidity in resolution, etc.

- **EC's delegated regulation on intragroup clearing exemption published in the OJEU**

Based on ESMA's draft RTS, it relates to the [deferral](#) of the clearing obligation applicable to OTC derivatives. Entry into force: 30 Apr 2019.

- **EMMI applies for authorisation from the FSMA**

EMMI, the administrator of Euribor, [communicates](#) that i) it has applied for authorization from the FSMA under the EU benchmarks regulation and ii) that it has started to transition panel banks to the new hybrid methodology.

- **ESMA renews restrictions on CFDs**

[ESMA](#) renews the restriction of marketing, distribution and sale of contracts for difference (CFDs) to retail clients. The decision applies from 1 May 2019 for a period of three months.

Creating Opportunities

- **EBA consults on technical standards on the standardised approach for counterparty credit risk**

[Specifies](#), among other things, methods for mapping of derivative transactions to risk categories and a formula for the calculation of the supervisory delta of options mapped to the interest rate risk categories. Deadline: 2 Aug 2019

- **EBA publishes clarifications to a third set of issues on APIs under PSD2**

The [clarifications](#) relate, among other things to: portability of “wide usage” data, eIDAS certificates and third party providers.

- **ESMA’s advice to EC on integrating sustainability risks and factors in MIFID II**

[ESMA](#) believes that the development of any binding definitions needs to consider all legislative initiatives developed on the topic of sustainable finance. The principle-based approach should reduce costs.

SPAIN

- **Ministerio de Economía has finalized the transposition of the EU Mortgage Credit Directive**

[Ministerio de Economía](#) approves a Real Decreto and an Orden Ministerial that together with the transposition law passed on February represent the finalization of the transposition of the EU Mortgage Credit Directive.

UNITED KINGDOM

- **FCA statement on delay of final rules for CFDs and CFD-like options**

FCA [communicates](#) that they will publish a Policy Statement in Summer 2019 with their final rules for CFDs that would apply from the date ESMA’s restrictions expire.

- **FCA changes mortgage advice rules to encourage consumer choice**

It [consults](#) on proposed changes that will provide clarity for customers and improve client protection in mortgage advisory activities. Deadline: 7 July 2019.

- **FCA begins review of financial advice market**

It seeks [feedback](#) on its proposed approach to reviewing the Retail Distribution Review and the Financial Advice Market Review. Deadline: 3 June 2019.

- **PRA publishes systemic risk buffer (SRB) rates**

[SRB rates](#) set out in this document will apply from 1 Aug. 2019. In future, SRB rates will be published by 15 Dec. of each year, with application by 1 Jan. of the second year following the calendar year when the rates are published.

UNITED STATES

- **CFTC proposes to amend derivatives clearing organization regulations**

The [amendments](#) address certain risk management and reporting obligations, clarify the meaning of certain provisions, simplify processes for registration and reporting, and codify existing staff relief and guidance.

Creating Opportunities

- **CFTC approves rule to improve data quality and streamline regulations for SDRs**

It modifies existing [requirements](#) for Swap Data Repositories establishing policies and procedures to confirm the accuracy of swap data by both swap counterparties. Deadline: 75 days after publication in the Federal Register.

- **Fed consults on the definition of financial institutions related to netting contracts**

Proposes to extend “[financial institution](#)” status for purposes of netting provisions to new categories of entities that are market participants who regularly enter into financial contracts with both sides of the market. Deadline: 1 Jul

- **FDIC issues list of banks examined for CRA compliance**

List of state [non-member](#) banks evaluated for compliance with CRA in February 2019.

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

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This report has been produced by

Head of Financial Regulation
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

Willians Ruiz
willians.ruiz@bbva.com

Salvador Bekiaropoulos Donate
salvador.bekiaropoulos@bbva.com