

Financial Regulation: Weekly Update

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Highlights

1. European Commission issues report on NPL reduction and statement on Brexit preparedness
2. FSB issues consultation on the effects of the financial regulatory reform on SME financing
3. ESMA amends RTS to integrate IFRS updates
4. BdE issues consultation on DGS contributions
5. UK authorities and the Monetary Authority of Singapore start working towards a MoU for cyber security

GLOBAL

▪ FSB consults on effects of the financial regulatory reforms on SMEs

The [consultation](#) is part of a broader examination of the effects of the G20 regulatory reforms. It focuses on: i) SME financing trends; ii) financial regulation; iii) valuation approach; iv) effect of reforms. Deadline: 7 Aug.

EUROPE

▪ EC issues report on the reduction of NPLs

The fourth progress [report](#) on NPL reduction takes stock of the positive trends in risk reduction across the Banking Union and analyses the accomplishment of the Council's Action Plan to tackle NPLs.

▪ EC issues statement on Brexit preparedness and contingency measures

Recognises [significant](#) progress in the preparations, highlighting issues where further work is needed: insurance, payment services, and other financial services operators. No further contingency measures are deemed necessary.

▪ ESMA amends RTS to integrate latest IFRS update in its European Single Electronic Format taxonomy

It [aligns](#) its ESEF reporting taxonomy following the most recent update by the IFRS Foundation, facilitating implementation of the tagging requirements and ensuring comparability. The RTS on ESEF will be amended yearly.

▪ ESMA issues Double Volume (DVC) Cap data

Updates public register with the latest set of [DVCs](#) under MiFID II. The number of new breaches is 40: 31 equities for the 8% cap applicable to all trading venues, and 9 equities for the 4% cap for individual trading venues.

▪ ESMA issues report on over Frequent Batch Auctions (FBAs)

To address regulatory concerns, it [issues](#) final report on FBAs, including feedback received to its consultation, with the intention of issuing supervisory guidance on pre-trade transparency and on the price determination of FBAs.

- **ESMA issues additional five positive opinions on national product intervention measures**

The [positive opinions](#) relate to the actions taken by National Authorities from the Czech Republic, Estonia, and Slovakia. The measures taken are found to be proportionate and justified.

- **EIOPA publishes monthly technical information and consultation regarding mapping of ECAIs**

i) Relevant [risk free rate](#) term structure for the month of May. ii) Related to [amendments](#) on the technical standards on the mapping of ECAIs. Deadline: 10 Jul.

SPAIN

- **BdE publishes a public consultation regarding DGS**

A [public consultation](#) on the draft circular amending Circular 8/2015, to entities and branches attached to the DGS, on information to determine the basis for calculating the contributions. Deadline: 21 Jun.

UNITED KINGDOM

- **BoE, FCA and Monetary Authority of Singapore start work towards MoU for cyber security**

These authorities announce that they will [start working](#) to strengthen cyber security in their financial sectors, working towards a MoU.

- **PRA issues several consultations**

i) Proposal to amend the [prescribed responsibility](#) for recovery and resolution plans that forms part of the Senior Managers and Certification Regime. Deadline: 7 Aug. ii) Proposal to make minor changes to the [PRA's rulebook](#) on capital instruments under Solvency II, and regulatory reporting requirements among others. Deadline: 7 Aug.

- **PRA issues Policy Statement on fees and levies**

Provides feedback to a previous consultation, and sets its final policy for the [fee rates](#) to meet the 2019/20 Annual Funding Requirement (for the 1 Mar 19 to 29 Feb 2020 period).

UNITED STATES

- **FDIC publishes its Consumer Compliance Supervisory Highlights report**

It seeks to enhance [transparency](#) on consumer compliance supervisory activities, including a high-level review of the main issues identified in 2018.

Recent publications of interest (in English and Spanish):

- [Article](#). *BBVA suggests improvements to international regulatory standards. March 2019.*
- [Press Article](#). *To complete the Banking Union, it is also necessary to harmonize bank insolvency regimes. May 2019.*

Previous edition of our Weekly Financial Regulation Update in [English](#).

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