

Financial Regulation: Weekly Update

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20 September 2019

Highlights

1. ECB releases a new edition of its Macroprudential Bulletin
2. ESMA issues a positive opinion on accepted market practices by Spanish CNMV
3. FDIC finalizes rules to simplify the capital calculation under the regulatory capital requirements
4. FCA update joint statement on opportunistic strategies in the credit derivatives market
5. PRA consults on probability of default and loss given default estimation

EUROPE

▪ ECB releases a new edition of its Macroprudential Bulletin

It [focuses](#) on the development of the sectoral macroprudential framework, the impact of countercyclical capital requirements on bank lending and the broader economy and on reciprocity agreements.

▪ ESMA issues a positive opinion on accepted market practices (AMP) by Spanish CNMV

Considers that the [revised CNMV's AMP](#) is compatible with Article 13(2) of the MAR and with the CDR 2016/908 and contains various mechanisms to limit the threat to market confidence with respect to liquidity contracts.

▪ EIOPA issues report on cyber resilience framework

[Highlights](#) the need for a sound cyber resilience framework and identified the key challenges faced by the cyber underwriters, in particular clear, comprehensive and common requirements on the governance of cybersecurity.

UNITED KINGDOM

▪ FCA update joint statement on opportunistic strategies in the credit derivatives market

[FCA, SEC and CFTC \(US\)](#) expect firms to consider how the above mentioned opportunistic strategies may impact their businesses and to take appropriate action to mitigate market, reputation and other risks arising from these types of strategies.

▪ PRA consults on probability of default and loss given default estimation

Consults on [implementation](#) of EBA roadmap to reduce variability in RWA. The consultation sets out the proposed approach for PD and LGD estimation. PRA had previously consulted on definition of default. Deadline: 18 Dec.

▪ PRA consults on Prudent Person Principle under solvency II

It [sets out](#) its supervisory expectations for the management of investment by firms in accordance with the PPP, covering governance, concentration risk or intra-group loans, among others. Deadline for comments: 18 Dec.

UNITED STATES

- **FDIC finalizes rules to simplify the capital calculation under the regulatory capital requirements**

[Introduces](#) an optional simplified measure of capital adequacy for qualifying community banking organizations known as the Community Bank Leverage Ratio framework, available for bank's Call Report on March 31, 2020.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *New package of banking reforms to prevent crises*. June 2019.
- [Press Article](#). *Nueva ley de contratos de crédito inmobiliario: de la teoría a la práctica* (in Spanish). June 2019.
- [Press Article](#). *Provisions for non-performing loans: how much is enough?*. August 2019.

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

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