

# Financial Regulation: Weekly Update

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## Highlights

1. SRB issues a consultation on its 'Expectations for Banks'
2. European Commission issues a consultation on the alternative standardised approach for market risk
3. EBA issues an opinion on the treatment of non-performing exposure securitisations
4. EBA issues an opinion regarding disclosure to consumers buying financial services via digital channels
5. FRB and FDIC issue consultation on their use of the CAMELS rating system

## GLOBAL

### ▪ ISDA publishes report with results of benchmark fallbacks consultation on pre-cessation issues

[Responses](#) indicate: i) most of the participants would not continue referencing a covered IBOR in existing or new derivatives contracts; ii) no consensus on how to respond to a fallbacks statement for derivatives contracts.

### ▪ CPMI issues report on the impact of stablecoins

It sets: i) initial recommendations for [stablecoins](#) developers and authorities to address its challenges and risks; and ii) suggestion to authorities to develop road maps for enhancing the efficiency of payment services.

### ▪ NFGS issues a Sustainable and Responsible Investment guide for central banks' portfolio management

Discusses [strategies](#) for central banks adopting SRI practices (e.g. green bond investments or negative screening for equity and corporate bond holdings). Not a one-size-fits-all solution (central banks have different challenges).

## EUROPE

### ▪ SRB launches consultation on its 'Expectations for Banks'

It presents best practices on key aspects of [resolvability](#), explaining the capabilities that it expects banks to demonstrate to show that they are resolvable. Deadline: 4 Dec.

### ▪ EC consults on the alternative standardised approach for market risk

Consults on the delegated act to introduce the new standardised [methodology](#) to be used for market risk reporting requirements under CRR 2. Deadline: 11 Nov.

### ▪ EBA publishes opinion on the regulatory treatment of Non-Performing Exposure securitisations

It recommends various [amendments](#) to the CRR to remove constraints related to disproportionately high capital charges on NPE securitisations and compliance with risk retention and due diligence requirements.

- **EBA publishes opinion on disclosure to consumers buying financial services through digital channels**

Provides [recommendations](#) about how the Distance Marketing of Financial Services Directive could be amended to adapt it to the increasing use of digital marketing, and the resultant issues potentially affecting consumers.

- **ESAs issue supervisory statement regarding the PRIIPs regulation to bonds**

Seeks to [promote](#) the consistent application by NCAs of the PRIIPs regulation to bond markets in order to achieve uniform levels of retail investor protection and a level playing field amongst product manufacturers.

- **ESMA publishes priorities European regulators must consider when examining annual financial reports**

Reflects key [changes](#) in 2019 IFRS standards, that have an impact on financial markets. Aims to provide a good quality financial information for investors in order to build confidence in European capital markets.

- **ESMA and ASIC signed MoU setting out cooperation arrangements regarding Australian benchmarks**

It allows EU-supervised entities in the EU to use [benchmarks](#) declared significant by the Australian Securities and Investments Commission (BBSW, S&P/ASX200, Bond Futures Settlement Price, CPI, and Cash Rate).

## UNITED KINGDOM

- **HM Treasury issues guidance for AML/CTF controls**

It issues a series of advice to firms on the risks of having [unsatisfactory](#) money laundering and terrorist financing controls.

- **PRA publishes consultation paper for the review of the capital regime of credit unions**

Proposes [changes](#) to capital requirements applied to credit unions. Aims to provide more flexibility, remove growth barriers, reduce capital regime complexity, and control small credit unions. Deadline: 24 Jan 2020.

## UNITED STATES

- **FRB and FDIC consult on the use and impact of CAMELS ratings**

Seek comments on the [consistency](#) of ratings assigned under the CAMELS system and how these ratings are used in enforcement actions and in reviewing bank applications. Deadline: 60 days after published in Federal Register.

- **CFTC extends deadline for swap data repositories consultation**

It further extends the [comment period](#) for the proposed rulemaking to amend certain regulations related to swap data reporting. New deadline: 27 Jan 2020.

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

- [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.
- [Press Article](#). *Climate Change: Tempus Fugit*. September 2019.

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

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