

Financial Regulation: Weekly Update

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Highlights

1. EBA issues an opinion on the implementation of the DGSD to enhance depositor protection
2. EBA issues report on the provision of cross-border banking and payment services
3. ESMA issues several Brexit-related statements
4. SRB publishes its 2020 work programme
5. US Agencies issue final rule tailoring resolution plan requirements

GLOBAL

▪ FATF updates methodology to comply with recommendations for AML/CFT systems

[Focuses](#) on: i) an effective framework to protect the financial system from abuse, and ii) the fulfilment of FATF technical requirements to combat money laundering and the financing of terrorism and proliferation.

EUROPE

▪ EBA publishes opinion on the implementation of the DGSD

Focuses on the payouts by [DGSs](#) and proposes changes to the EU legal framework, aimed at strengthening depositor protection and depositor information, enhancing financial stability and reinforcing effectiveness of DGSs.

▪ EBA issues report on cross-border provision of banking and payment services in the EU

Due to impediments to [cross-border](#) banking and payment services, it proposes harmonisation on consumer protection, AML/CFT requirements and update of communications on cross-border provision.

▪ ESMA issues statements on Brexit

i) Given the [extension](#) of the Art.50 period granted to the UK, all previous statements regarding no-deal preparation should now be read as 31 Jan 2020. ii) Following the latest Brexit events, it will publish the [systematic](#) internaliser regime data, and the quarterly liquidity assessment for bonds, on 8 Nov.

▪ SRB publishes its work programme for 2020

Roadmap seeking to strengthen [banks' resolvability](#), foster a robust resolution framework, carry out effective crisis management, build up further the SRF and establish a lean and efficient organisation.

UNITED KINGDOM

- **FCA publishes RTS for Strong Customer Authentication (SCA)**

Includes de [final rule](#) on SCA and on secure and open standards of communication that will apply in the case of a no-deal Brexit. These RTS will provide certainty for firms and will maintain consumer protections.

- **HM Treasury publishes programme of financial services legislation under the EU withdrawal Act**

Seeks to: i) ensure UK continues having a functioning [regulatory regime](#) of financial services services when it leaves the EU, and ii) prevent, remedy or mitigate any failure of EU law to operate effectively after the departure.

UNITED STATES

- **Agencies issue final rule for resolution plan requirements**

It tailors the [requirements](#) for banks: it retains resolution plan elements for the largest firms, while reducing some requirements for smaller ones. Effective date: 60 days after publication in the Federal Register.

- **Agencies consult on rule to amend swap margin rules**

The [rule](#) would not require swap entities to hold initial margin for uncleared swaps with affiliates, while inter-affiliate swaps would still be subject to variation margin. Deadline: 30 days following publication in the Federal Register.

- **Agencies issue final rule to simplify capital calculation for community banks**

It [simplifies](#) capital requirements for community banks by allowing them to adopt a simple leverage ratio to measure capital adequacy. Applies to community banks with less than \$10 billion in total consolidated assets.

- **Agencies issue consultation on reporting data for certain loans**

[Seeks](#) to modify the requirements for reported data on small businesses and farms loans, in order to better reflect lending to these businesses, and to assess what steps should be taken. It follows the Government Accountability Office's recommendations.

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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