

Financial Regulation: Weekly Update

Matías Cabrera, Arturo Fraile, Hamza Jebari, Salvador Portillo, Ana Rubio, Victoria Santillana, Pilar Soler

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Highlights

1. ECB's private sector working group on euro risk-free rates issues recommendations on accounting and fallback provisions
2. EBA publishes its 2020 stress-test methodology and draft templates
3. ESMA issues consultation on position limits in commodity derivatives under MiFID II
4. SSM updates the list of directly supervised significant entities
5. Spanish Ministry of Economy issues a proposal for an order to increase protection of credit consumers

GLOBAL

■ IOSCO issues statement on emerging global stablecoin proposals

It [acknowledges](#) that they can offer benefits to consumers and investors. It also warns of potential risks such as consumer protection, market integrity, transparency, financial crime and potential systemic risks.

EUROPE

■ ECB's private sector working group on euro risk-free rates issues recommendations

It recommends market participants to incorporate [fallback](#) provisions in all new contracts referencing EURIBOR, and [highlights](#) IFRS and IAS accounting consequences of benchmark rate transition.

■ EBA publishes 2020 EU-wide stress test final methodology and draft templates

Focuses on the [impact](#) assessment of risk drivers. It covers relevant risk areas and incorporates feedback received from the industry. The test will be launched in Jan 2020 and the results published in Jul 2020.

■ ESMA consults on position limits in commodity derivatives

Analyses the impact of [position limits](#) on market abuse, on pricing and settlement and on less liquid commodity derivatives contracts. Deadline: 8 Jan 2020.

■ ESMA publishes validation rules and XML schemas for SFTR reporting

Further [technical details](#) for reporting required under the Securities Financing Transactions Regulation (SFTR), including: i) counterparty and TR data exchange, ii) intra-TR data exchange and iii) TR to authority data exchange.

■ SSM publishes updated list of significant supervised entities

It displays the list of significant entities directly supervised by the ECB. There are no changes with respect to the previous list, with [116 banks](#). The cut-off date is 1 Oct.

- **EIOPA publishes responses from NCAs on their intention to comply with recommendations on Brexit**

Responses on their [compliance](#), intention to comply or non-compliance with the recommendations set out in light of Brexit. All NCAs comply or intend to comply with almost all recommendations (which include 9 areas).

SPAIN

- **MINECO issues proposal for an order to increase protection of revolving credit consumers**

Seeks to enhance the [protection](#) of credit consumers with undefined term or automatic novation (revolving cards), increasing the transparency and information to be provided by entities and reducing potential over-indebtedness.

UNITED KINGDOM

- **HM Treasury issues letters with recommendations to financial services supervisors**

It sends the remit and recommendations for the [FPC](#), the [PRC](#) and the [FCA](#) for 2019.

UNITED STATES

- **Agencies publish final rule to tailor regulatory capital and liquidity requirements**

The final rule [jointly developed](#) by the agencies sets risk-based categories to determine the applicability of requirements for regulatory capital, LCR and the proposed NSFR. Effective date: 31 Dec.

- **Agencies update thresholds for different regulations**

i) Threshold for exempting [mortgage loans](#) from special appraisal requirements during 2020 will increase from \$26,700 to \$27,200. ii) Regulation Z (Truth in Lending) and Regulation M (Consumer Leasing) will apply to [consumer credit](#) transactions and consumer leases of \$58,300 or less in 2020.

- **OCC and FDIC issue the results for CRA evaluations**

They contain the ratings of banks and savings institutions evaluated under the CRA during October and August of 2019, respectively ([OCC](#) and [FDIC](#)).

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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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

Hamza Jebari Serroukh
hamza.jebari@bbva.com

Salvador Portillo
salvador.portillo@bbva.com