

Financial Regulation: Weekly Update

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

February 14, 2020

Highlights

1. IOSCO issues a report with considerations for regulating crypto-asset trading platforms
2. European Commission issues consultation on AML
3. EBA consults on draft guidelines on the appropriate subsets of exposures in the application of the systemic risk buffer, and issues its third opinion on the implementation of the DGSD in the EU
4. ESMA sets out its strategy on sustainable finance
5. Spanish Ministry of Economy consults on national transposition of CRD V, BRRD II and investment firm review

GLOBAL

■ IOSCO issues a report with considerations for regulating CTPs

The report describes the issues and risks associated with [crypto-asset](#) trading platforms (CTPs) and includes key considerations to assist regulatory authorities in evaluating CTPs in the context of their regulatory frameworks.

EUROPE

■ EC issues consultation action plan on AML

[Identifies](#) areas of work and options that will be investigated in the coming months. It will provide a first response to the EP and Council's calls for strong and rapid action to deliver an effective EU framework. Deadline: Mar 11, 2020.

■ EBA issues consultation on draft guidelines on the application of the SyRB

It seeks to [harmonize](#) the design of the appropriate subsets of sectoral exposures to which a systemic risk buffer (SyRB) may be applied, thus facilitating a common approach. Deadline: May 12, 2020.

■ EBA issues final opinion on the implementation of the DGSD in the EU

[It recommends](#) clarifying which funds count towards DGS's available financial means and the use of DGS funds for failure prevention. No changes are proposed concerning the minimum target level for ex-ante funds.

- **ESMA sets out its strategy on sustainable finance**

It explains how it will place [sustainability](#) at the core of its activities. Some of the key priorities are: transparency obligations, the analysis of financial risks of climate change, the development of an EU taxonomy, and the convergence of national supervisory practices on ESG factors.

- **ESMA publishes report on MiFIR alignments after EMIR Refit**

It seeks to align the scope of [counterparties](#) subject to the derivative trading obligation under MiFIR to the scope of counterparties subject to clearing obligation under EMIR (following the changes introduced by EMIR Refit).

- **ESRB publishes report on global dimensions of macroprudential policy**

The report highlights the [risk](#) channels associated with international financial integration for EU economies, and provides an overview of the macroprudential policy options that are available to address these risks.

- **ESMA issues opinions on position limits under MiFID II and MIFIR**

The seven opinions found that the position limits on [commodity derivatives](#) are set in accordance with the MiFID II framework and its objectives.

- **EBA issues opinion on measures to address macroprudential risk**

It allows DNB to modify capital requirements in order to address an increase in [macroprudential risk](#), enhancing the resilience of the Dutch banking sector to a potential downturn in the residential real estate market.

- **ESMA issues latest double volume cap data under MiFID II**

[Double volume cap](#) data and calculations have been updated for the period Jan 1, 2019 to Dec 31, 2019.

SPAIN

- **MinEco consults on national transposition of CRD V, BRRD II and investment firm review**

It consults on [specific aspects](#) of the directives prior to their transposition to national law, as well as on the treatment of crypto-assets, cybersecurity and cloud storage. Deadline: Feb 25, 2020.

- **MinEco approves Royal Decree on the legal arrangements for financial credit entities**

It develops the legal framework for these [entities](#) in order to favor competition in the granting of loans while maintaining solvency standards, which will favor orderly credit growth and result in greater consumer protection.

- **CNMV publishes its plan of activities for 2020**

It presents 44 specific [initiatives](#) to be carried out in 2020, confirming the 2019 strategic lines: priority on monitoring, Spanish market competitiveness and special attention to technological developments in the financial sector.

UNITED STATES

- **NY FED publishes statement regarding the publication of a SOFR Index**

[Beginning](#) on Mar 2, 2020, it will publish 30-, 90-, and 180-day SOFR averages as well as a SOFR Index, in order to support a successful transition away from U.S. dollar (USD) LIBOR.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Completion of Basel III: The final twist to banking regulation?* December 2019.
- [Press Article](#). *¿Cuáles serán las claves para la regulación financiera global en 2020?* January 2020.
- [Press Article](#). *Las prioridades de la nueva Comisión Europea*. January 2020.
- [Press Article](#). *U.S. banking regulation: a change in the trend*. January 2020.

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

DISCLAIMER

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Any estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Nor shall this document or its contents form the basis of any contract, commitment or decision of any kind.

With regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. Reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process is prohibited, except in cases where it is legally permitted or expressly authorised by BBVA.

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