

Financial Regulation: Weekly Update. 06 November 2015

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GLOBAL

- FSB and BIS publish 2015 list of G-SIBs and G-SIIs and other important information

i) Three [major](#) changes to the [list](#) of global systemically important banks (G-SIBs) and [update](#) of denominators. ii) [Nine](#) institutions named as being global systemically important insurers (G-SIIs).

- FSB consults on liquidity and operational continuity in banking resolution

[Principles](#) and [arrangements](#) to ensure sufficient liquidity and the continuity of critical shared services in resolution to maintain critical functions. Deadline: 4 Jan.

- FSB publishes key documents on OTC derivatives, shadow banking and Europe

i) Review on [trade reporting](#); ii) progress in [implementing](#) reforms for OTC derivatives; iii) second report on [shadow banking](#) in the Americas, and iv) ninth meeting of the consultative group for [Europe](#).

- BIS consults on incorporating the FSB framework for Securities Financing Transactions

[Proposes](#) incorporating FSB haircut methodology for non-centrally-cleared SFTs into the Basel III framework. Deadline: 5 Jan.

- ISDA publishes protocol in response to US tax laws

Allows the imposition of a 30% [withholding tax](#) on equity derivatives transactions that reference US equity securities, which is allocated to the party that takes the long position. Open for adherence from 2 Nov.

EUROPE

- Commission and Council set out the EU agenda for the G20 Antalya summit on 15-16 Nov

[Priorities](#): i) the refugee crisis; ii) growth; iii) employment and social inclusion; iv) tax transparency; v) multilateral trade agreements, and vi) climate change.

- ESMA consults on indirect clearing arrangements under EMIR and MiFIR

[Draft technical standards](#) to enhance consistency and where the ultimate aim is to ensure greater protection. Affects OTC derivatives and ETDs (Exchange-Traded Derivatives). Deadline 17 Dec.

- EBA publishes 2016 stress test methodology for discussion and list of institutions

The testing will be launched in 1Q16 and will cover 70% of the EU banking sector. The tests will [be carried out](#) at the highest possible level of consolidation. Does not define minimum CET1 threshold for an adverse scenario.

- EBA provides overview of banks in the second quarter of 2015

The [risk table](#) indicates an increase in capital ratios and profitability compared to 2014, while loan portfolio quality remains weak.

- ECB regarding comprehensive assessment of Greek banks

[Finds](#) capital shortfall of EUR14.4bn for four significant Greek banks which must explain how they will cover this shortfall before 6 Nov.

- EIOPA revises guidelines on product oversight and governance (POG)

[Consults](#) after extending the scope to distributors of insurance products, besides manufacturers. Deadline: 29 Jan.

SPAIN

- MINECO approves order for classifying financial products to enhance investor protection

[Affects](#) investment service firms, credit institutions, financial credit establishments, insurers and pension fund managers.

- Bank of Spain publishes financial stability report

[Indicates](#) drop in doubtful assets, increased solvency, and persistently low profitability in the banking industry and describes the treatment of deferred tax assets.

UNITED KINGDOM

- PRA publishes two statements on Solvency II

Regarding i) [options available](#) to national authorities with respect to reporting and publishing information, and ii) application of the second set of [EIOPA guidelines](#).

UNITED STATES

- Fed consults on Total Loss-Absorbing Capacity (TLAC)

Will require US G-SIBs and subsidiaries of foreign G-SIBs to have loss-absorbing capacity instruments. A minimum will have to be long-term debt. Deadline: 1 Feb.

- [Agencies finalise swap margin rule in accordance with the Dodd-Frank Act](#)

They apply minimum requirements for [swaps](#) and security-based swaps that are not cleared through a clearing house. Effective from 1 Apr.

- [SEC adopts final rules on the offer and sale of securities through crowdfunding](#)

Allow [investment](#) in such securities with limits and establish a regulatory framework to facilitate transactions. Effective date: 180 days following publication in Federal Register.

Recent publications of interest (in English and Spanish)

- [Regulation Flash](#). 2015 G-SIBs list: Three main changes versus 2014 list
- [Financial Regulation Outlook](#). November 2015
- [Press article](#). Single Supervision Mechanism (SSM): first year's stock
- [Regulation Watch](#). BRRD: Overview of the EBA's level 2 regulation
- [Digital Economy Outlook](#). October 2015
- [Banking Outlook](#). September 2015

Previous editions of our Weekly Regulation Update in [Spanish](#) and [English](#)

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