

Financial Regulation: Weekly Update. 18 December 2015

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GLOBAL

- BIS on progress in adopting the principles for data aggregation and risk reporting

[Third report](#) on aggregating exposures and identifying risk concentrations fully, quickly and accurately. Seeks to improve risk management and decision-making.

- BIS consults on shadow banking and the Unique Product Identifier (UPI)

Consults on: i) identification and measurement of [step-in-risk](#) to mitigate potential spillover effects from the shadow banking to banks (deadline: 17 Mar), and ii) [harmonisation](#) of the UPI to facilitate OTC derivative identification (deadline: 24 Mar).

EUROPE

- European Council agrees to advance more rapidly on Economic and Monetary Union

[Focus](#) on more effective economic and fiscal governance, improve euro area's external representation and further advance in Banking Union. Progress report by Jun 2016.

- EBA consults on collecting information on ICAAP and ILAAP for SREP purposes

[Aims for](#) a consistent approach to supervisory assessment and assesses the reliability of institutions' own capital and liquidity estimates (deadline: 11 Mar). Also publishes a [Report and Opinion](#) on cooperation and information sharing between the EU and other countries.

- EBA recommends introducing the Net Stable Funding Ratio (NSFR) in the EU

[Reveals](#) that there is no significant negative impact on bank lending or financial assets markets but identifies EU specificities that should be taken into account.

- EBA publishes definitive RTSs on BRRD

i) [Methodology](#) for the valuation of derivatives under resolution. ii) [Guidance](#) for business reorganisation plans. iii) Minimum [information](#) on financial contracts for detailed records.

- EBA consults on passporting under the revised Payment Services Directive (PSD2)

Proposes technical standards on the framework for cooperation and exchange of information between competent authorities for [passporting](#). Deadline: 11 Mar.

- EBA on capital requirements for market risk

[Consults](#) on the methodology to be applied by the supervisory authority when authorising the use of internal models. Deadline: 13 Mar.

- ESMA issues two consultation and implementing technical standards regarding MiFID II and EMIR

Consults on draft technical standards for: i) requirements for [central counterparties](#) on time horizons for liquidation, and ii) access, aggregation and comparison of data via [trade repositories](#) (deadline for both: 1 Feb). Issues technical [standards](#) on cooperation and suspensions under MiFID II.

- EBA publishes on exposures to shadow banking entities and Central Securities Depositories (CSDs)

i) [Guidelines](#) on measuring exposures to shadow banking entities and recommended approach to limiting risks. ii) Harmonised prudential [requirements](#) for CSDs.

- Other news on European institutions

i) Agreement between the EP and the Council on [data protection](#) rules (formal ratification in 1Q16). ii) Proposed [interinstitutional agreement](#) among the EC, the EP and Council on better regulation (subject to ratification). iii) Council adopts directive on [insurance distribution](#) (pending publication in OJEU). iv) EC [extends](#) CRR exemption for firms that trade exclusively in commodity derivatives to 31 Dec 2020.

- European authorities update risk maps for the financial sector in the EU

i) ESRB reports on systemic risks in the [insurance sector](#). ii) ESMA observes [high levels of risk](#) in financial markets in 3Q15. iii) EIOPA [highlights](#) that a high level of risk still persists, especially market and macroeconomic risk. iv) EIOPA reports on insurance and pension consumer [trends](#).

- Bank of England and Italy's central bank notify the ESRB on the identity of G-SIIs in 2015

They respectively identify [four](#) and [one](#) Global Systemically Important Institutions (G-SIIs) and establish corresponding capital buffers to apply in 2017.

- OJEU publishes EC implementing and delegated regulations

i) [Extension](#) of the provisional periods for own funds requirements for exposures to central counterparties. ii) [Regulatory Technical Standards](#) on definitions of risk concentrations and intra-group transactions. Effective: 13 and 31 Dec.

UNITED KINGDOM

- [Treasury consults on minor changes to BRRD transposition](#)

For [clarification](#) on application regarding: i) point of failure; ii) powers to replace directors; iii) significant deterioration in the early intervention phase, and iv) resolving a branch of a third-country institution. Deadline: 25 Feb.

- [FCA launches consultation on implementing MiFID II](#)

[Consults](#) on trading platforms, systemic internalisers, transparency, market data and algorithmic and high-frequency trading, among other items. Deadline: 8 Mar.

- [Payment Systems Regulator \(PSR\) and FCA on payment systems regulation](#)

i) PSR issues a [report](#) on access to payment systems and the governance of payment system operators. ii) FCA [consults](#) on calculating and paying PSR regulatory fees (deadline: 11 Feb).

UNITED STATES

- [OCC consults on recovery planning by insured national banks](#)

[Guidelines](#) for insured national banks, insured Federal savings associations, and insured Federal branches of foreign banks (assets of USD50bn or more). Deadline: 16 Feb.

- [Agencies propose and approve three derivatives regulations](#)

SEC proposes rules for [registered funds and business development companies](#) (comments to be in by 90 days after publication). CFTC approves two final rules on: i) margin requirements for [uncleared swaps](#), and ii) [cybersecurity](#) for organisations, platforms and data repositories (deadline: 60 days after publication).

Recent publications of interest (in English and Spanish)

- [Financial Regulation Outlook](#). December 2015
- [Regulation Flash](#). Single Resolution Fund on schedule
- [Press article](#). A European Guarantee Fund Deposits
- [Digital Economy Outlook](#). December 2015
- [Banking Outlook](#). December 2015

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

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