

Financial Regulation: Weekly Update. 05 February 2016

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EUROPA

- EBA sets out report and roadmap for implementation of regulatory review of IRB models

Identifies main actions to address variability in internal models. Regulatory review should be finalised by 2020. EBA reiterates its stance in favor the use of internal models.

- ESRB publishes decisions and recommendations to broaden the macroprudential framework

Two decisions on i) [coordination framework](#) for notification of national measures, publication of ESRB opinions and recommendations, and ii) [evaluation of the materiality of third countries](#) for the establishment of counter-cyclical capital buffers (CCBs). Recommendations on: i) recognition and establishment of CCBs for [exposures in third countries](#), and ii) evaluation of [cross-border effects and voluntary reciprocity](#).

- ESMA consults on draft Guidelines on Regulation of Market Abuse (MAR)

Clarifies the [implementation](#) of MAR and broadens its reach to new markets, platforms and trading behaviour. Prohibits insider trading. Deadline: 31 Mar.

- ESMA publishes RTS on Central Securities Depository Regulations (CSDR)

Regulatory technical standards (RTS) to guarantee CSDR [discipline](#) via harmonisation and supervision at an EU level. Next step: EC approval within 3 months.

- EIOPA consults on pension products and insurance supervisors

i) Proposes principal characteristics of the regulatory environment for a single European market for [pension products](#) (deadline: 26 Apr). ii) [Proposes](#) improvements in the exchange of information between insurance supervisors and auditors (deadline: 28 Apr).

- ECB publishes more detailed criteria for the acceptance of credit rating agencies

That they should be part of the framework to [mitigate](#) the financial risk in monetary policy operations. Also aims to avoid the mechanical reliance on external ratings.

- EC and USA agree on a new data protection framework

Substitutes the former Safe Harbour. Pursues [better protection](#) for EU citizens' personal data, imposing conditions on access to these on the part of the US government.

- EC presents new measures to deal with corporate tax avoidance

Highlights the Directive on the fight against tax avoidance and the review of the Directive on administrative cooperation. Next steps: presentation to the EP for consultation and the Council for adoption.

- ECON sends letter to Commissioner Hill on Solvency II

Requests clarification on certain points of the delegated regulation on the calculation of capital requirements for various categories of assets held by insurers.

- Transfer to the Single Resolution Fund completed

Contributions for 2015 amounting to EUR4,300mn handed over from national funds. JUR informs banks of the payment due before 1 May 2016, for payment before 30 June.

- ECB issues opinion on draft legislation on resolution in Cyprus and DGS in Slovenia

i) Suggests changes and clarifications on functions of the Central Bank of Cyprus as resolution authority; and ii) gives opinion on the creation of a deposit guarantee fund in Slovenia under DGSD.

- EC adopts delegated regulations under the BRRD

On circumstances for deferring contributions ex post to resolution funds and criteria for the determination of critical functions and business lines.

- OJEU publishes recast Directive on insurance distribution

Introduces modifications with the aim of harmonising the national dispositions relative to activity. Entry into force and period for transposal: 3 Feb 2016 and 23 Feb 2018.

SPAIN

- EC considers that the financial assistance programme has been successfully concluded

Highlights the good execution and commitment of Spain to banking reform. Credit activity in the financial sector has recovered and the sector's efficiency and solvency have improved.

UNITED KINGDOM

- ESMA gives opinion on exemption from central compensation for UK pension plans

Issues opinions to exclude compensation on OTC derivatives contracts on 16 pension plans, justifying the exemption on the basis of the difficulties in complying on the variation margin.

- [FCA consults on changes in manual to reflect new issues in crowdfunding](#)

To [include](#) crowdfunding agreements within individual savings accounts as well to expand regulatory activities to include advising on this activity. Closing date: 15 Feb.

- [FCA on banking sector responsibility](#)

Establishes the new [responsibility regime](#) for individuals working in the banking sector carrying out certain wholesale activities.

- [PRA and FCA issue standards and final guidelines for credit cooperatives](#)

Renew their reference book [highlighting](#): limits on shares and deposits, minimum capital, liquidity and governance requirements. Effective from 3 Feb 2016.

UNITED STATES

- [Fed extends period for commentaries on the framework for setting up the CCB](#)

Applies to large international banks, and is a [macro-prudential tool](#) to mitigate cyclical risks derived from excessive credit growth. New deadline: 21 Mar.

Recent publications of interest (in English and Spanish)

- [Press article](#). Sovereign Debt: a risk-free asset?
- [Financial Regulation Outlook](#). February 2016
- [Regulation Watch](#). Resolution regimes in Latin America
- [Press article](#). Is there room for more financial regulation in 2016?
- [Digital Economy Outlook](#). January 2016
- [Regulation Flash](#). Single Resolution Fund on Schedule

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

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