

## Financial Regulation: Weekly Update. 15 April 2016

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### GLOBAL

- [BIS publishes tenth progress report on adoption of Basel III regulatory framework](#)

**Focuses** on the adoption stance of the Basel III framework at the national level according to the internationally agreed timeframes.

- [BIS consults on prudential treatment of problem assets](#)

**Definitions** of non-performing loans exposures and forbearance. Seeks to harmonize measurements and applications, promoting consistency. Deadline Jul. 2016.

- [IMF publications](#)

i) [World Economic Outlook](#): Expected global growth of 3.2% in 2016 and stronger growth in 2017 driven by emerging markets. ii) [Global Financial Stability Report](#): Increased risks and deteriorated outlook in advanced economies. Negative spillovers from emerging markets.

- [ISDA on margin requirements for non-cleared derivatives](#)

**Document** aimed at allowing parties to negotiate collateral terms that comply with variation margin requirements under the new rules.

### EUROPE

- [EC proposes public tax transparency rules for multinationals](#)

**Applies** to multinationals operating in the EU with global revenues exceeding EUR 750m and includes public reporting requirements regarding where profits are made and taxes are paid.

- [EBA on securitisation](#)

Publishes [report](#) on risk retention, due diligence and disclosure and identifies best practices to help Competent Authorities in their supervisory assessments of compliance.

- [ESMA announces EU-wide stress tests for Central Counterparties \(CCPs\)](#)

The **publication** of the final results is scheduled for 29 April 2016. The stress test include clearing member

default scenarios and market price shock scenarios.

- [ESAs publish Report on Risks and Vulnerabilities in the EU financial system](#)

Three main **risks**: i) profitability, ii) interconnectedness of banks and non-bank entities and iii) potential contagion from China and other emerging markets. Proposes actions to address these risks.

- [ECB conducts a stocktake on BRRD transposition](#)

The BRRD has now been **transposed** in all euro area Member States (fully or, in two cases, partially) but a variety of national supervisory approaches remain in some areas.

- [EIOPA publishes Preparatory Guidelines on Product Oversight and Governance](#)

Aimed at supporting the **implementation of POG**, and minimizing the risk of consumers by getting the distributors to align products with the interests of target consumers

- [ESAs finalise proposal for RTS on Key Information Documents \(KIDs\) for PRIIPs](#)

The KIDs for Packaged Retail and Insurance-based Investment Products (PRIIPs) **provide** retail investors with simple and comparable information on investment products.

- [ESMA publishes Q&A on CFDs and the responses to a previous discussion paper](#)

i) **Q&A** addresses the application of MiFID to the marketing and sale of financial contracts for difference (CFDs). ii) ESMA has also published the **responses** to its discussion **paper** on benchmark regulation.

- [EBA notification from the Austrian Financial Market Authority \(FMA\)](#)

FMA has **notified** the application of resolution measures to Heta Asset Resolution AG.

- [EBA on customer due diligence measures](#)

**Opinion** setting out measures for credit and financial institutions when providing asylum seekers from higher-risk jurisdictions with access to basic financial products and services.

- [ESMA on national supervision of investment advice to retail clients](#)

**Peer review** on how national regulators assess compliance with MiFID's suitability requirements when firms provide investment advice to retail clients.

- [ESMA publishes opinion on EU framework for loan origination by investment funds](#)

Establishes ESMA's [view](#) on elements such as the authorisation of loan-originating funds and their managers, eligible investors, organisational requirements and leverage.

- [European parliament issues two reports](#)

i) [report](#) on proposal for amending MIFIR and MAR ii) [report](#) on proposal for amending MIFID.

## UNITED KINGDOM

- [PRA has published its 2015 list of Other Systemically Important Institutions \(O-SIIs\)](#)

[Sixteen](#) firms have been [listed](#) as O-SIIs, eight of which have been designated O-SII through EBA's methodology, while the other eight were designated through PRA's supervisory overlay.

- [BoE to administrate Sterling Overnight Index Average \(SONIA\) interest rate benchmark](#)

[Will assume](#) overall responsibility on the SONIA benchmark, providing oversight and governance, on 25 Apr. Consultation on further SONIA reform in late summer 2016.

## UNITED STATES

- [The FED proposes amendments to its rules requiring GSIBs to hold additional amounts of risk-based capital](#)

The [amendments](#) are aimed to clarify the calculation of surcharges and of the short-term wholesale funding scores. (deadline: May 2016)

- [The FED and FDIC publish feedback on resolution plans of eight G-SIBs](#)

[Living wills](#) of five banks are determined as non-credible. Deficiencies must be addressed by Oct 2016. Only one bank has passed the scrutiny.

Recent publications of interest (in English and Spanish)

- [Presentation](#). New requirements for loss absorbing capacity: TLAC and MREL
- [Financial Regulation Outlook](#). April 2016.
- [Digital Economy Outlook](#). March 2016
- [Regulation Watch](#). UK proposal on MREL: alignment with TLAC

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



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