

Financial Regulation: Weekly Update. 6 May 2016

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GLOBAL

- [ISDA Launches Resolution Stay Jurisdictional Modular Protocol](#)

This [Protocol](#) is aimed at ensuring the cross-border enforceability of stays on contractual termination rights under the resolution framework established by the FSB.

EUROPE

- [ESMA publishes results of its first EU Central Counterparties stress tests](#)

The [results](#) show that 17 CCPs in the EU are resilient to counterparty risk and can withstand the failure of their two most important clearing members.

- [EC publishes report on crowdfunding](#)

[Focused](#) on: i) the Commission's work on crowdfunding, ii) current status of this activity in the EU, iii) regulatory environment and iv) cross-border activities.

- [The Central Bank of Hungary creates an asset management vehicle](#)

Used as a [macroprudential](#) tool to help banks get rid of their non-performing exposures. The mechanism works on a voluntary basis and at market price.

- [ECB opinion on Slovenian draft law on resolution of banks](#)

[ECB](#) welcomes the general depositor preference and the statutory subordination of unsecured debt. It also recommends several modifications.

- [Italy's Decree Law to reduce the time to recover debts](#)

The [Italian](#) Finance Ministry comments on the measures approved that will reduce the time to repossess guarantees from 40 months to 7-8 months.

- [EBA publishes a consultation, an opinion and some corrections](#)

i) [Consults](#) on the use of consumer data by financial institutions. Deadline: 4 Aug, ii) [Opinion](#) on EC's intention not to endorse draft RTS on additional collateral outflows, iii) corrections on [XBRL](#) reporting

taxonomies and iv) [amendments](#) on historical look-back approach (HLBA).

- [ESMA amends MiFID II standards and plans changes in reporting under MiFIR](#)

[Amendments](#) on non-equity transparency and position limits for commodity derivatives under MiFID II and [final report](#) to amend technical standards on transaction reporting.

SPAIN

- [Bank of Spain approves the update of the accounting circular for credit entities](#)

It [modifies](#) Annex IX of Circular 4/2004 with regard to the [classification of operations and estimation of provisions](#) under the incurred loss model. Into effect: 1 October.

- [Bank of Spain publishes reports on financial stability and banking supervision](#)

[Financial stability report](#): main risks area profitability (low interest rates), worse economic outlook, and reduction of financial assets prices. [Report on banking supervision](#): highlights supervisory practices, priorities and strategies during the year.

- [CNMV on documenting selection process of credit rating agencies \(CRAs\)](#)

Entities or [issuances](#) rated by two or more CRAs must document selection process by which a CRA with no more than 10% of market share was considered.

UNITED KINGDOM

- [Parliament confirms BoE's status at the centre of the UK's financial system](#)

BoE and Financial Services [Act 2016](#) strengthens the governance of the BoE, further protects tax-payers and ensures senior managers' accountability.

- [FCA releases a policy statement on Financial Services Compensation Scheme](#)

[Main changes](#) in non-investment insurance mediation compensation limit, in eligibility of trustees and in rules where a successor firm defaults. Into effect: 29 Apr.

UNITED STATES

- [Fed issues notice on contractual resolution stays in financial contracts for U.S.GSIBs](#)

[The proposal](#) requires to amend contracts for financial transactions to prevent their immediate cancellation if the firm enters bankruptcy or a resolution process.

Recent publications of interest (in English and Spanish)

- [Presentation](#). New requirements for loss absorbing capacity: TLAC and MREL
- [Financial Regulation Outlook](#). May 2016.
- [Digital Economy Outlook](#). April 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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