

## Financial Regulation: Weekly Update. 13 May 2016

Pablo Fernández / Rosa Gómez / Pilar Soler

---

### GLOBAL

- FSB holds 10th meeting of the Regional Consultative Group for Europe

Topics under discussion: cross-border crisis resolution, private pension schemes, challenges related to market liquidity risks, market-based finance and asset management.

- FSB extends the deadline for the consultation on the TCFD until 31 May

The phase I [survey](#) of the Task Force on Climate-Related Financial Disclosures (TCFD) is aimed at gathering input for the design of phase II for an effective voluntary [disclosure](#).

- IOSCO's report on impact of storage and delivery on commodity derivatives

[Storage](#) and delivery affect the price of physically delivered commodity derivatives. It recommends developing guidance for good and sound practices.

- EBF, GFMA and ISDA publish principles on Cybersecurity, Data and Technology

The [principles](#) seek to encourage effective global policy measures; submitted to FSB and IOSCO for views and guidance on the process.

### EUROPE

- ECB will conduct comprehensive assessment of four banks in 2016

[Evaluates](#) new entities identified as significant or likely to become subject to direct ECB supervision. Results to be published in November 2016.

- EC publishes Delegated Regulation on BRRD

[Specifies](#) the minimum elements that should be included in a business reorganisation plan and contents of the reports on the progress in its implementation.

- ESMA releases its Risk Dashboard for 1Q2016

The overall risks have not changed. Market and credit risks were especially [acute](#). Uncertainty about both the EU and the global economic outlook was a main cause.

- ESAs clarify their position on the mapping of credit rating agencies' assessments

European Supervisory Authorities (ESAs) **disagree** with the EC proposal to extend the less conservative approach beyond the phase-in period in order to promote competition.

- EIOPA publishes updates on Solvency II

i) Monthly **update** of the symmetric adjustment of the equity capital charge for Solvency II and ii) monthly **technical information** for risk-free interest rate term structures.

- EBA publishes guidance for computing Financial Soundness Indicators and an Opinion

i) **Assist** authorities in compiling IMF FSIs for deposit takers; and ii) **Agreement** with EC amendments to the EBA's implementing technical standard on benchmarking of internal approaches.

- EP publishes several documents

i) **Explains** objectives and differences between the MREL and TLAC; and ii) **issues** Country-Specific Recommendations on banking issues.

- EBA consults on Liquidity Coverage Ratio (LCR) disclosure

**Draft guidelines** in order to harmonize LCR disclosure required from financial institutions. Deadline: 11 Aug.

- ESRB's adverse scenario for EU CCPs stress tests

At ESMA's request, the ESRB has developed this adverse **scenario** for the 2016 stress tests which were made public at the end of April.

## UNITED KINGDOM

- Financial Conduct Authority's regulatory sandbox opens to applications

It allows businesses to test innovative products, services, business models and delivery mechanisms while ensuring that consumers are appropriately protected. Deadline: 8 Jul.

- PRA launches a consultation on Pillar 2 Liquidity

**Statement** of policy on three aspects of Pillar 2 liquidity: intraday risk, debt buyback and non-margined derivatives. Deadline: 12 Aug.

## UNITED STATES

- Fed reorganises to reflect its commitment to financial stability and macroprudential policy

The Office of Financial Policy and Research becomes a [division](#) of the Board and is renamed as Division of Financial Stability. Its task is to analyse macroprudential responses.

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](#)

This document has been prepared by BBVA Research Department, it is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance. This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

In regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions in the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. It is forbidden its reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process, except in cases where it is legally permitted or expressly authorized by BBVA.