

## Financial Regulation: Weekly Update. 3 June 2016

Pablo Fernández / Rosa Gómez / Pilar Soler

---

### GLOBAL

- [BCBS' statement on capital arbitrage transactions](#)

[Banks](#) should not engage in transactions with the aim of offsetting regulatory adjustments. They will be subject to careful supervision in the assessment of capital adequacy.

- [IOSCO on Audit Committee oversight of Auditors and on IFRS standards](#)

i) [Report](#) identifies audit committee practices that can improve quality at publicly listed entities, ii) [Joint statement](#) with IFRS to promote transparency in capital markets through the development and consistent application of IFRS standards.

### EUROPE

- [EBA publishes decision on data for supervisory benchmarking](#)

Decision on institutions' [data](#) and [list](#) of institutions that have to submit this information by 30 June 2016.

- [ESMA launches two consultations and a discussion paper](#)

i) On proposed implementing measures for [benchmarks](#) regulation. Deadline: 30 Jun; ii) on [Central Securities Depositories](#) Directive guidelines on participants default rules. Deadline: 30 Jun) and iii) discussion paper on [distributed ledger technologies](#) . Deadline: 2 Sep.

- [ESMA launches its opinion on MIFID II standards on ancillary activities](#)

To [ensure](#) that non-financial firms are adequately regulated and compete on a level playing field in commodities derivatives trading, ESMA has developed a business activity test.

- [ESMA issues a statement on responsibilities when selling bail-in securities](#)

It [reminds](#) banks and investment firms of their responsibility of acting in their clients' best interest when selling bail-in-able financial instruments.

- [European Council adopts regulation on commodity dealers](#)

It [exempts](#) commodity dealers from large exposure requirements and from own funds requirements until 31

Dec 2017, as EC reports on prudential supervision are expected.

- [EC adopts Implementing Regulation on the risk-free rate \(Solvency II\) and issues statement](#)

i) Regulation lays down [information](#) to be used for calculating provisions and basic own funds. ([Act](#) and [Annex](#)) ii) The EU-US [statement](#) reflects agreement to improve regulatory and supervisory treatment of the insurance sector.

- [EIOPA on Solvency II RFR term structures](#)

[Updates](#) technical documentation on the methodology for the relevant risk-free interest rate term structures (RFR) under Solvency II.

- [EBA and EIB discuss in a seminar the use of synthetic securitisation in the banking sector](#)

Participants expressed a [commitment](#) to work together with the aim of establishing a transparent, prudential and predictable operational framework for such instruments.

- [Joint Committee of ESAs launches website](#)

The new [website](#) presents information and news about the cross-sectoral work of the three ESAs (EBA, EIOPA and ESMA).

- [EC Delegated Regulations published in the OJEU](#)

i) Regarding the circumstances for the [exclusion from bail-in](#) and ii) in relation to standards for [non-delta risk of options](#) in the standardised market risk approach.

## SPAIN

- [CNMV issues statement on Market Abuse Regulation \(MAR\) and short-selling](#)

In relation to the [reporting](#) of reference data on financial instruments under the MAR, and short-selling in connection with market-making activity to foster investor protection.

Recent publications of interest (in English and Spanish):

- [Regulation Watch](#). Setting a limit to leverage in banking. May 2016
- [Presentation](#). New requirements for loss absorbing capacity: TLAC and MREL
- [Financial Regulation Outlook](#). June 2016
- [Digital Economy Outlook](#). May 2016

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.