

Financial Regulation: Weekly Update. 24 June 2016

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GLOBAL

- [FSB and IOSCO on asset management structural vulnerabilities and data gaps](#)

FSB issues [recommendations](#) to address weaknesses (liquidity mismatch, leverage and operational risk). IOSCO stresses [data](#) needs as a priority for better identifying systemic risk.

EUROPE

- [ECOFIN presents roadmap to complete Banking Union](#)

Key [issues](#): revision of sovereign treatment will wait for Basel's results. Political negotiations on EDIS would only start after progress is made on risk reduction.

- [EU Council agrees its stance on anti-tax avoidance and EC welcomes it](#)

The draft [directive](#) aims at solving disruptions caused by disparities among national tax systems. Deadline for transposition: 31 Dec. 2018. EC [welcomes](#) the agreement.

- [EU statutory audit rules become applicable](#)

The new [regime](#) consists of a Directive setting out the framework for all statutory audits and a Regulation setting out specific requirements for public-interest entities.

- [ECB publishes SSM supervisory statement on governance and risk appetite \(RAS\)](#)

[Summarises](#) findings of the thematic review on governance and RAS of banks under direct supervision. Overall many banks need further improvements to achieve best practices.

- [EBA publishes 2016 report on consumer trends](#)

[Covers](#) indebtedness, banking fees, selling practices, innovations in payments, alternative services providers, use of consumer data. Two new trends: foreign currency loans and virtual currencies.

- [EIOPA publishes June's report on financial stability](#)

[Highlights](#) the risks posed by monetary policy and low crude oil prices to the insurance and occupational pension fund sectors.

- [Implementing and Delegated Regulations published in OJEU](#)

They lay down regulatory and implementing technical standards on disclosure and reporting of information by market participants, resolution authorities and competent authorities.

UNITED STATES

- [FRB releases stress test results for 33 largest bank holding companies in the U.S.](#)

Loan losses would total \$385 billion under the most severe scenario during the following 9 quarters, but capital and leverage ratios would remain above the required minimums for all.

- [The Financial Stability Oversight Council releases 2016 annual report](#)

Key issues: cybersecurity; financial innovation; changes in market structure; CCPs; asset management; short-term wholesale funding; risk management with low interest rates and rising asset price volatility.

- [FRB, FDIC and OCC issue host state loan-to-deposit ratios](#)

Used to determine compliance with the Riegle-Neal Act which prohibits banks from establishing or acquiring branches outside their home state for deposit production purposes.

- [FDIC adopts Notice of Proposed Rulemaking on credit ratings](#)

The proposed rule would remove references to external credit ratings and replace them with appropriate standards of creditworthiness investment activities and the pledging of assets.

- [FRB, FDIC, NCUA and OCC joint statement on new accounting standards](#)

Provides information on FASB's new accounting standards for credit losses of financial instruments. It also gives the supervisory view on its implementation.

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](#). June 2016

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

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