

Financial Regulation: Weekly Update. 16 September 2016

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GLOBAL

- [BIS publishes Basel III monitoring report](#)

Finds that all large international banks met minimum fully phased-in CET1 requirements. Weighted averages for LCR and NFSR were 125.2% and 113.7% as of Dec 2015.

- [Governors and head of supervision \(GHOS\) announce progress on post-crisis reforms](#)

GHOS have broadly **endorsed** reforms on risk-weighted assets, but reaffirmed that the Committee should focus on not increasing significantly overall capital requirements.

- [ISDA issues whitepaper on derivatives market infrastructures](#)

It urges greater standardization and efficiency in these markets, highlighting three areas where further standardisation can be achieved: documentation, data and processes.

EUROPE

- [EBA publishes results of CRD IV/CRR/Basel III exercise](#)

This monitoring **exercise** uses capital, leverage and liquidity ratio data as of 31 Dec 2015. Banks are displaying strong levels of compliance with capital and liquidity requirements.

- [ECB launches public consultation on guidance to banks on non-performing loans \(NPLs\)](#)

This **guidance** refers to the strategy, governance and operations that are important to address NPLs, providing a set of best practices and recommendations. Deadline: 15 Nov.

- [ESAs reject EC amendments on RTS on non-centrally cleared OTC derivatives](#)

ESAs **disagree** on (among other areas) proposals to remove concentration limits on margins for pension schemes as they are crucial to mitigate potential risks for pension funds.

- [EBA informs on Implementing Technical Standards' validation rules for supervisory reporting](#)

It **has issued** a revised list of validation rules on supervisory reporting, highlighting those which have been

deactivated either for being incorrect or for triggering IT problems.

- [EBA updates its CET1 list](#)

It has [published](#) its third updated list of capital instruments it classifies as Common Equity Tier 1 (CET1). Several instruments have been added to the latest list.

- [EP rejects draft law on packaged retail and insurance-based investment products \(PRIIPs\)](#)

After being rejected by ECON, MEPs passed a [resolution](#) calling for changes to the legislation. EC will propose new RTS for PRIIPs legislation, due to come into force on 31 Dec.

- [EC communication on Capital Markets Union \(CMU\) accelerating reform](#)

[Focusses](#) on a rapid implementation of the first CMU measures (securitisation), accelerating the next phase (e.g. taxation), and developing further priorities (e.g. personal pensions).

- [ECB's opinion on amendments to venture capital and social entrepreneurship regulations](#)

It [supports](#) the aims of the proposed regulations, as they would help develop the Capital Markets Union. Presents specific and technical recommendations and drafting proposals.

- [EIOPA publishes report on communication to members of occupational pensions schemes](#)

It lays down good practices on communication tools and channels when communicating with schemes members operated by Institutions for Occupational Retirement Provision.

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

i) Delegated [Regulation](#) on RTS of the methodology to identify G-SIIs and define subcategories ii) Implementing [Regulation](#) on ITS on the transitional measures for the equity risk sub-module iii) Implementing [Regulation](#) on ITS regarding main indices and recognised exchanges in accordance with regulation of prudential requirements for credit institutions.

UNITED KINGDOM

- [PRA on the external audit of public disclosure requirement \(Solvency II\)](#)

[Policy statement](#) providing feedback to a previous consultation and a [supervisory statement](#) highlighting responsibilities and setting the level of assurance to external audit requirements.

- [PRA issues consultation paper on fees and FSCS levies for insurers](#)

[Sets](#) out proposals for a one-year transitional arrangement for insurance firms' PRA fees and Financial

Services Compensation Scheme levies for 2017/18 fees year. Deadline: 9 Nov.

- [FCA consults on insurers' tariff data used to calculate FCA fees and levies 2017/18](#)

[Sets](#) out proposals for transitional provision covering insurers' tariff data. In order to comply with Solvency II FCA plans to use the same tariff data used for 2016/17. Deadline: 9 Nov.

SPAIN

- [CNMV to adopt ESMA guidelines on cross-selling practices](#)

To enhance investor protection, [they](#) gather principles to improve information provided to clients, and revise sells personnel remuneration schemes. Entry into force: 3 Jan 2018.

Recent publications of interest (in English and Spanish):

- [Flash](#). EBA clarifies use of 2016 EU-wide stress test results in the SREP process
- [Regulation Watch](#). Setting a limit to leverage in banking. May 2016
- [Financial Regulation Outlook](#). July 2016
- [Digital Economy Outlook](#). July 2016

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

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