

Financial Regulation: Weekly Update. 29 May 2015

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SPAIN

- CNMV presents its 2014 annual report on securities markets

It examines: i) market performance, collective investment schemes and investment services companies, and ii) action to enhance supervision and face new challenges.

- Bank of Spain consults to amend regulation for financial information on credit institutions

To determine essential information in accounting records for regional and internationalisation covered bonds (*cédulas territoriales y de internacionalización*) and change definition and calculation of a reference rate for mortgage market. Open to: 9 Jun.

- CNMV/Bank of Spain on reform of the system for clearing, settling and registering securities

In two phases: i) affecting equity transactions, and ii) settlement for fixed income and equity securities is being transferred to TARGET2- Securities. Beginning: Oct 2015.

EUROPE

- EBA publishes guidelines on contributions to deposit guarantee schemes

They seek to ensure consistency in calculating risk-based contributions and payment commitments, in line with the Deposit Guarantee Schemes Directive (DGSD).

- EBA publishes final guidelines on triggers for resolution

They set out the circumstances under which an institution is failing or likely to fail and therefore triggers a resolution process.

- ESMA proposes modification of the UCITS Directive

Calls for a distinction between cleared and non-cleared over-the-counter (OTC) financial derivative transactions and continued application of current counterparty risk limits.

- EBA updates guidelines on interest rate risk

Covers technical aspects of risk management for interest rate risk arising from non-trading activities (IRRBB). Into force: 1 Jan 2016

- [ECON votes on banking structural reforms](#)

Proposal presented by rapporteur Hökmark was rejected. Next steps: PE and Council need to agree a position before trilogues begin.

- [EP and Council finalise negotiation on EFSI \(European Fund for Strategic Investments\)](#)

Provisional agreement which permits EFSI to start operating within the framework of the Juncker Investment Plan after summer 2015.

- [EC urges 11 Member States to transpose the BRRD \(Bank Recovery and Resolution Directive\)](#)

Countries affected: Bulgaria, the Czech Republic, France, Italy, Lithuania, Luxembourg, the Netherlands, Malta, Poland, Romania and Sweden.

- [D. Nouy \(SSM\) sends a letter to MEPs on national discretions](#)

Informs on setting up a project together with competent authorities and the ECB to reduce the level of fragmentation and ensure a level-playing field within the SSM.

- [EC and Council continue their work to prevent tax evasion and fraud](#)

EC will reform corporate taxation in line with work of OECD. Presidency of the Council and Switzerland agree automatic exchange of financial information starting in 2018.

- [EIOPA informs on supervision of occupational pensions](#)

Publishes the updated reporting templates and the DC (Defined Contribution) module spreadsheet calculation tool for forthcoming occupational pensions stress tests.

UNITED KINGDOM

- [Bank of England consults on obliging institutions to address impediments to resolvability](#)

Gives details on circumstances under which British resolution authority will direct institutions to reduce elements that might impede their resolution. Open to: 22 Aug.

- [PRA consults on termination of financial contracts in resolution](#)

Proposes requiring the adoption of contractual stays to allow the closing of financial contracts governed by the law of third countries. Open to: 26 Aug.

- [PRA publishes on implementation of ring-fencing](#)

Three areas i) legal structure; ii) governance arrangements and iii) arrangements to ensure continuity of services to ring-fenced bodies.

- [PRA consults on board responsibilities](#)

To identify key corporate governance issues such as strategy, corporate culture, risk management and board composition. Is not intended to be a comprehensive guide. Deadline: 14 Sep.

UNITED STATES

- [Fed on counting bonds as HQLA \(high-quality liquid assets\)](#)

Proposes considering certain state and municipal bonds eligible for the Liquidity Coverage Ratio (LCR) requirement, based on similarity to other HQLA asset classes.

GLOBAL

- [FSB revises the supervisory framework for systemically important banks \(SIBs\).](#)

Mentions significant progress by national authorities, although cross-border cooperation needs to improve. It also makes recommendations for supervisory authorities.

Recent publications of interest (in both English and Spanish)

- [Financial Regulation Outlook](#). May 2015
- [Digital Economy Outlook](#). April 2015
- [Regulation Watch](#): Liquidez y Resolución: Función de prestamista de última instancia y el marco de resolución
- [Situación Banca](#). Segundo Trimestre 2015

Previous Weekly Regulation Updates in [Spanish](#) and in [English](#)