

## Financial Regulation: Weekly Update 26 June 2015

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### SPAIN

- CNMV will adopt guidelines regarding definitions of financial instruments included in MiFID

The objective is to establish a common interpretation of the scope of application of the financial instrument item.

### EUROPE

- Five President's Report published to improve governance of the eurozone

Builds on the 2012 Report and provides a two-stage plan towards financial, fiscal and political union before 2025. Prepared by the EC, European Council, the Eurogroup, the EP and the ECB. The focus towards 2017 is to complete banking union with the single deposit guarantee fund and provide a fiscal backstop for the single resolution fund. Next step: EC White Paper in 2017.

- ESAs launch discussion paper on Packaged Retail and Insurance-Based Investment Products (PRIIPs)

With regard to risks, performance scenarios and displaying costs in the key information documents (KIDs). Deadline: 17 Aug.

- ESRB publishes five major documents on macro-prudential policy and risks

Macro-prudential: i) handbook on operationalising macro-prudential policy (includes addendum on leverage ratios); ii) a review in the EU one year after the introduction of the CRD/CRR, and iii) overall assessment of recommendation on lending in foreign currencies. Risks: iv) report on misconduct risk in the banking sector, and v) risk dashboard.

- EP approves Juncker Plan rules and position on governance of the euro

In its plenary session, the EP approved rules on the European Fund for Strategic Investments (operational in Sep) and recommendations on the Five Presidents Report.

- EBA informs on reporting on the Liquidity Coverage Ratio (LCR)

Updated Implementing Technical Standards on supervisory reporting of the LCR for credit institutions, including templates and instructions.

- [ESMA on Central Securities Depositories \(CSD\) and credit rating agencies \(CRAs\)](#)

Asks the EC for permission to delay its draft technical standards (TS) for the CSD Regulation until Sept. Publishes guidelines on periodic information to be filed by CRAs from Aug.

- [European Stability Mechanism \(ESM\) publishes 2014 annual report](#)

Confirms the positive impact of financial assistance programmes and informs on its institutional framework and available tools, including the direct recapitalisation instrument.

- [ECB launches TARGET2-Securities settlement platform](#)

It will enable integrated securities settlement across Europe and is a major step towards financial integration. Will be fully implemented in Feb 2017.

- [EIOPA modifies the methodology for calculating the risk-free interest rate for Solvency II](#)

Seeks to improve the reliability of the rates used in the calculation. Effective in monthly publication from Jul.

- [EC Delegated Regulation published in the Official Journal of the EC](#)

Regulatory Technical Standards to assess the significance of extensions and modifications for internal methods of calculating equity requirements for market risk.

## UNITED KINGDOM

- [FCA announces new rules on remuneration](#)

It aims to further align risk and individual reward to discourage irresponsible risk-taking and short-termism, and to encourage more effective risk management.

- [British government consults on implementation of the payment accounts directive](#)

To determine how to transpose the directive to the United Kingdom before 18 Sep 2016. Deadline: 3 Aug.

- [FCA publishes two consultations on funds and insurance and a thematic review on management firms](#)

Consultations: i) revocation of the rules on investments in authorised funds through nominee companies, and ii) options for measuring value of insurance products (deadlines: 17 Jul and 24 Sep). Publishes review indicating that management firms present one of the highest risks among the consumer credit sectors.

## UNITED STATES

- Fed conducts census of non-bank financial institutions

It requests basic information on the types and volume of financing to provide a benchmark and to analyse and have a full overview of the US financial system.

## GLOBAL

- BCBS publishes disclosure requirements for the Net Stable funding Ratio (NSFR)

It includes a disclosure template for active banks in all Basel Committee member jurisdictions. Minimum requirement from Jan 2018.

Recent publications of interest (in English and Spanish)

- [Financial Regulation Outlook](#): May 2015
- [Digital Economy Outlook](#): May 2015
- [Regulation Watch](#): The 5 Presidents Report: a milestone for enhancing the Euro governance
- [Regulation Flash](#): Bank Structural Reform: Council gives green light to its agreed position
- [Regulation Watch](#): BRRD transposition in Spain: a milestone in implementing an effective resolution regime
- [Situación Banca](#): Segundo Trimestre 2015

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

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