

Financial Regulation: Weekly Update. 18 September 2015

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EUROPE

- With BIS, EBA publishes results of the Basel III monitoring exercise as of Dec 2014

Progress in ultimate compliance by internationally-active European banks. Capital (CET1) shortfall for Group 1 has been reduced to EUR1.5bn and that of liquid assets to EUR38.3bn. The shortfall for stable funding rose to EUR523bn.

- ESMA and EIOPA publish reports on risk dashboards, trends and vulnerabilities

i) ESMA raised its market risk indicator to the highest level due to high volatility, ii) EIOPA indicates that market risk remains the most eminent.

- EC proposes the creation of a new Investment Court System for TTIP

Informal proposal for investor-to-state dispute settlement in current and future agreements. Next step: consultation with Council and EP prior to a formal proposal to US.

- EIOPA issues second set of Solvency II Guidelines

These cover different areas of the three Solvency II pillars as confirmation of compliance within 2 months of issuance from the National Competent Authorities (NCAs) is awaited.

- OJEU publishes Commission-delegated regulation on pension schemes

Amendment of the Regulation on extension of transitional periods in pension scheme systems. Effective: 16 Sep.

UNITED KINGDOM

- FCA publishes statement on services linked to payment accounts and subject to fees

Includes terms and definitions regarding key services under the EU Payment Accounts Directive. Next step: publication by EBA of standardised definitions.

UNITED STATES

- SEC removes references to credit ratings in the money market fund rule and form

The [aim](#) is to reduce reliance on credit ratings by money market funds (MMFs). Effective from 16 Oct and mandatory from 14 Oct 2016.

GLOBAL

- With EBA, BIS publishes the results from the Basel III monitoring exercise as of Dec 2014

[Progress](#) in ultimate compliance by the major banks worldwide. The Group 1 capital (CET1) shortfall has been reduced to EUR6.5bn and 85% meet the Liquidity Coverage Ratio requirement. Compliance with Net Stable Funding Ratio has come down to 75%.

- BIS publishes 3Q15 quarterly review of banking and developments in financial markets

[Highlights](#) the vulnerability of emerging economies to the slowdown in China, the stronger dollar and the drop in commodity prices.

- IOSCO publishes final report on cross-border regulation

Analyses cross-border regulatory tools and indicates an upturn in multilateral and bilateral engagement, and identifies [next steps](#) with regard to cross-border matters.

- IOSCO publishes final report on sound practices for investment risk education

[Education](#) is key. The document contributes to improvement of retail investors [attitude, behaviour and knowledge](#).

Recent publications of interest (in English and Spanish)

- [Financial Regulation Outlook](#) September 2015
- [Digital Economy Outlook](#). September 2015
- [Regulation Flash](#): The leverage ratio as a macroprudential tool
- [Regulation Watch](#): EU loss-absorbing capacity requirement
- [Banking Outlook](#). September 2015

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

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