

## Financial Regulation: Weekly Update. 02 October 2015

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### GLOBAL

- FSB updates its work plan at its meeting of 25 Sept

Highlights progress in regulatory reforms to end too-big-too-fail (TBTF). Agreed the final draft of the TLAC standard. Final publication at the G20 summit on 15 Nov.

- IMF publishes Global Financial Stability Report

Examines: i) determinants of market liquidity and its resilience, and ii) greater corporate leverage in emerging markets.

- FSB publishes report on FX benchmark reforms

Reports on progress over the past year in the wake of the recommendations that it published in Sep 2014. Concludes that further work on applying them is required.

- BIS reports on risk-weighted assets (RWA) for counterparty credit risk

Analyses RWA variability, highlights good practices and identifies areas where additional attention from banks and supervisors is required to mitigate unwarranted variability.

### EUROPE

- EC publishes action plan on building a capital markets union and its proposals

Proposes a road map for 2015-17. Besides this, it publishes: i) a call for evidence regarding the cumulative impact of reforms (deadline: 6 Jan 2016); ii) legislative proposals on securitisation; iii) new rules on the approach to infrastructure under Solvency II, and consults on iv) covered bonds and v) venture capital (deadlines: 6 Jan 2016).

- ESMA publishes final technical standards regarding MiFID II, MAR and CSDs

i) MiFID II will enhance market transparency, efficiency and security (pending publication regarding investor protection); ii) Market Abuse Regulation (MAR) to improve market integrity and investor protection, and iii) Central Securities Depositories (CSD) to harmonise how they function.

- EBA publishes on asset encumbrance in EU banks and liquidity monitoring

i) First [analysis](#) of asset encumbrance provides elements to assess the sustainability of banks funding structures. ii) [Recommendation](#) to the EC to maintain the maturity ladder for additional liquidity monitoring metrics.

- ESMA on recognition of cash contributions to Deposit Guarantee Schemes in IFRS accounts

[Opinion](#) limited to ex-ante cash contributions for which the payment-obligating event is identified, and [indicating](#) that they will be recognised as an expense.

- ESRB updates summary of macro-prudential policy actions

[Summarises](#) all the measures in the EU/EEA notified up to 25 Sep. Includes breakdown with respect to announcement and implementation of counter-cyclical capital buffer.

- ESMA consults and publishes regulatory technical standards under Transparency Directive

[Enquires](#) about European Single Electronic Format (ESEF). Deadline: 24 Dec. Additionally it delivers [final rule](#) on European Electronic Access Point to EC for it to approve.

- ECON publishes supplementary report on payment services directive

At a plenary session in [Apr 2014](#) partial approval was given to amendments put forward by ECON but further examination was requested, resulting in this [report](#). Voting expected: 8 Oct.

- EIPOA publishes a recommendation and opinion under the Solvency II framework

Advises the EC on identification and calibration of risk categories in [infrastructure](#) investments, and offers an opinion on calculating solvency for groups operating under [equivalent](#) regimes.

## SPAIN

- Government amends treatment of Deferred Tax Assets in Corporate Income Tax

[The reform](#) removes elements of uncertainty over its compatibility with EC legislation. It will be framed as an amendment in the 2016 General State Budget Law.

- CNMV publishes reports on corporate governance and the compensation of directors

Listed [companies](#) observed 85% of recommendations in 2014. The compensation of IBEX company

directors increased, compared with a drop in other listed companies.

- [Bank of Spain approves accounting circular for SAREB](#)

[Establishes](#) new methodology and standards to calculate asset valuation corrections, with special emphasis on real-estate. Deadline for application to assets overall: end of 2016.

## UNITED KINGDOM

- [BoE publishes on 2015 stress testing for UK banks](#)

[Announces](#) the publication of stress-testing results for UK banks on 30 Nov, together with the Financial Stability Report.

- [PRA issues three publications](#)

i) [Reporting](#) rule amendments; ii) use of [skilled persons](#) as a supervisory tool, and iii) non-substantive corrections to its [rulebook](#).

Recent publications of interest (in English and Spanish)

- [Financial Regulation Outlook](#) September 2015
- [Digital Economy Outlook](#), September 2015
- [Regulation Flash](#): Setting in motion the Capital Markets Union
- [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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