

Financial Regulation: Weekly Update. 16 October 2015

Lucía Pacheco Rodríguez / Arturo Fraile Izquierdo / Georgi Ivanov Naydenov

GLOBAL

- BIS publishes ninth progress report on adoption of the Basel regulatory framework

[Finalisation](#) in most jurisdictions as regards capital and liquidity. Advances in leverage ratio, the framework for systemically important banks and the NSFR (report closing date: 30 Sep).

- FSB reports on progress in financial reforms ahead of the G20 Antalya Summit

Indicates [new risks](#) to financial stability regarding market-based finance, misconduct and climate change. For the moment, the adverse consequences in emerging countries have been minor.

- G20 and OECD on Base Erosion and Profit Sharing (BEPS)

Finance ministers endorse [the final package of measures](#) to prevent tax avoidance, and urge the OECD to prepare a framework by early 2016. Approval at the G20 Summit (14-15 Nov).

- Meeting of the International Monetary and Financial Committee of the IMF

[They call for](#) the financial reform to be calibrated and implemented in a timely and consistent manner and further developed, to address issues raised by financial activities outside the banking system.

- ISDA selects new utility to meet margining requirements for non-cleared derivatives

To ensure [consistent implementation and equal treatment](#) regarding the requirements (effective from 1 Sep 2016) for all market participants.

EUROPE

- ECB to conclude comprehensive assessment of nine banks in November 2015

[Applies](#) the same methodology and templates as in the 2014 exercise. The assessment comprises an asset quality review and a stress test.

- EBA consults on its benchmark rate under the Mortgage Credit Directive (MCD)

Calls for input from the parties regarding the [formula](#) to calculate the interest rate and asks creditors for examples of variable interest rate mortgages. Deadline: 12 Oct.

- EC consults on the Common Consolidated Corporate Tax Base (CCCTB)

The ultimate objective is a more business-friendly Single Market. Notable here is the analysis regarding how to address the debt bias issue in [tax treatment](#). Deadline: 8 Jan 2016.

- EIOPA updates its Action Plan 2016 and reviews the methodology for Solvency II

i) Indicates procedure for [colleges of supervisors](#); ii) reviews [methodology](#) for ultimate forward rates (UFRs) and announces consultation on this in 2016.

SPAIN

- ECB and EC on fourth post-programme surveillance visit to Spain

[They highlight](#) the change in the treatment of state guaranteed DTAs (deferred tax assets) and the need to complete the restructuring and privatisation of state-owned banks.

- Parliament validates the Royal Decree Law to regulate fees on cash withdrawals at ATMs

[To avoid a doubling up of fee](#) charges for the public. The bank that owns the ATM may not charge users a fee but may charge the issuing bank. In the [BOE](#) (Official State Gazette) of 2 Oct and effective from 4 Oct.

UNITED KINGDOM

- PRA consults on implementation of ring-fencing

[Regarding](#): i) capital and liquidity requirements applicable to a ring-fenced body; ii) management of intragroup exposures and arrangements, and iii) use of financial market infrastructures. Deadline: Jan 2016.

- PRA consults on operational continuity in resolution

[Requires](#) firms to ensure continuity of critical shared services to facilitate recovery and resolution. The intention is to apply this in 2019. Pending publication of an appendix and setting a deadline.

- Treasury publishes Bank of England and Financial Services Bill

The [aim](#) is to put the BoE at the centre of the financial regulation system. It will bring the PRA within the BoE and increase the role of the Financial Policy Committee (FPC).

- Treasury consults on public financial guidance

The [main](#) aim is to make this more effective. The consultation looks at the demand for public guidance, and the structure and funding of this. Deadline: 22 Dec.

- Treasury on transparency for securities admitted to trading on regulated markets

[Regulates](#) voting rights suspension orders, special provisions relating to the transparency obligations directive, and control over authorised persons. Effective: 1 Nov.

UNITED STATES

- SEC approves proposal to expand transparency initiative for OTC equity securities

The approach espoused by the Financial Industry Regulatory Authority (FINRA) will allow a [better understanding](#) of a firm's trading volume and market share.

Recent publications of interest (in English and Spanish)

- [Financial Regulation Outlook](#) October 2015
- [Banking Union](#). what remains to be done?
- [Regulation Flash](#). Setting in motion the Capital Markets Union
- [Regulation Watch](#). BRRD: Overview of the EBA's level 2 regulation
- [Banking Outlook](#). September 2015
- [Digital Economy Outlook](#). September 2015

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

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