

Financial Regulation: Weekly Update. As of 23 October 2015

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GLOBAL

- BIS publishes FAQs on the counter-cyclical capital buffer in Basel III

With particular [emphasis on](#) reciprocity and how to calculate the capital requirement add-on. Additionally, it publishes a summary table of the state of play by jurisdiction.

- Regulatory Oversight Committee consults on Legal Entity Identifiers (LEIs)

[Proposes](#) that international branches of global banks should have their own LEI linking them to their parent entity. Deadline: 16 Nov.

EUROPE

- EC confirms measures to strengthen the EMU, included in the Five Presidents' Report

Approves [measures](#) up to 2017 on external representation of the euro area and the framework for economic governance. It will put forward a legislative proposal on a European Deposit Insurance Scheme in 2015.

- EBA consults on communication between supervising authorities and statutory auditors

[Includes](#) provisions on the main elements for effective communication and fostering financial stability, safety and soundness of the banking system. Deadline: 21 Jan.

- EBA publishes its work programme for 2016 and updates list of CET1 instruments

i) In its [work programme](#), it identifies eight key strategic areas up to 2018. ii) The list includes [new](#) instruments accepted since publication of the Dec 2014 update.

- EP publishes report on Single Supervisory Mechanism (SSM) following a hearing by Mrs D. Nouy

[Analyses](#) state of play for issues dealt with by SSM, progress made by banks which failed the stress tests and SSM banks' financial positions from 2013 to 2015.

- [ESAs consult on anti-money laundering and countering the financing of terrorism](#)

They propose [guidelines](#) to determine a risk-based approach and set out how it should be applied by financial institutions and authorities. Deadline: 22 Jan.

- [BCE publishes opinion on BRRD transposition and subordination of senior debt in Italy](#)

[Views](#) a general depositor preference to comply with the MREL as positive, but sees conflicts if other operational liabilities still rank pari passu to senior unsecured debt.

- [ESMA prepares for the amended Transparency Directive coming into force](#)

[Publishes](#) four documents to address potential doubts. The aim is to contribute to harmonised EU application. Effective from 26 Nov.

- [EC makes request to EIOPA for technical advice and reports on BRRD transposition](#)

i) asks EIOPA for technical [advice](#) on the identification and calibration of other infrastructure investment risk categories, and ii) [refers](#) six Member States to the Court of Justice of the EU for failing to transpose the BRRD.

- [ESRB updates summary of macro-prudential measures and receives a notification from Denmark](#)

i) [Summarises](#) all the measures it has been advised of, or which it has records of, up to 19 October, and ii) [Denmark](#) establishes five categories for the systemic risk buffer with a phase-in over 2015-19.

- [ESMA on credit rating agencies \(CRAs\)](#)

[Publishes](#) semi-annual data on the distribution and performance of CRA credit ratings over time.

SPAIN

- [Publications from CNMV on liquidity agreements, performance measures and mortgage loans](#)

i) Consults on [liquidity agreements](#) as accepted market practice (deadline: 6 Nov); ii) will adopt ESMA guidelines on [alternative performance measures](#) (applies from 3 Jul), and iii) issues statement on consultation regarding [securitisation of mortgage loans](#).

UNITED KINGDOM

- PRA consults on identifying other systemically important institutions (O-SIIs)

Proposes [criteria and methodology](#) (deadline: 18 Jan). Will publish definitive criteria and list in 1Q16. Will update the list annually and publish it on 1 Dec every year.

- BoE publishes approach to stress testing the UK banking system

[Includes](#) key features of stress testing as well as the framework for applying it and clarifies plans for the next three years (to 2018).

UNITED STATES

- FDIC consults on deposit insurance fund and approves swap margin requirements

i) [Proposes](#) increasing fund target (to be assumed by banks with at least USD10bn in assets) to 1.35% by 30 Sep 2020. ii) [Approves](#) rule to establish margin requirements for swaps that are not cleared through a clearing house.

Recent publications of interest (in English and Spanish)

- [Financial Regulation Outlook](#) October 2015
- [Press article](#). Europe with high beams
- [Regulation Flash](#): Commission presses ahead with the plan to complete the EMU
- [Regulation Watch](#). BRRD: Overview of the EBA's level 2 regulation
- [Digital Economy Outlook](#). October 2015
- [Banking Outlook](#). September 2015

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

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