

Financial Regulation: Weekly Update. 14 October 2016

Matías Daniel Cabrera / Pilar Soler / Alvaro Romero

GLOBAL

- [BIS publishes definitive standard on TLAC Holdings](#)

All [banks](#) including G-SIBs must discount from their Tier 2 investments in TLAC instruments. Exception for market making purposes (5% of CET1). Enters into force 1 Jan 2019.

- [BIS on regulatory treatment of accounting provisions](#)

Issues a [discussion paper](#) and a [consultation](#) on policy considerations for the regulatory treatment of accounting provisions under the Basel III capital framework. Deadline: 13 Jan.

EUROPE

- [ESMA issues guidance on transaction reporting, order record keeping, and clock sync](#)

Following MiFID II, the [purpose](#) is to provide guidance to investment firms, trading venues and approved reporting mechanisms to prepare for compliance with their reporting.

- [EBA updates on monitoring of AT1 instruments](#)

The second [update](#) to the report monitoring Additional Tier 1 (AT1) instruments. It analyses 33 issuances from EU institutions, proposing standard templates for AT1 instruments.

- [EBA publishes final guideline on corrections to modified duration for debt instruments](#)

The objective is to establish the type of [adjustment](#) that reflects the effect of pre-payment risk, contributing to the securitization package under the Capital Markets Union reform.

- [EBA updates list of correlated currencies](#)

The [list](#) is part of the ITS, drafted to calculate capital requirements for foreign-exchange risk following standardised rules.

- [EBA publishes 2017 priorities](#)

The annual work programme describes the [activities](#) for 2017. Includes among others: further development of Single Rulebook, convergence of supervisory practices, etc.

- [EBA recalls deadlines for data submission on benchmarking exercises](#)

All EU institutions using [internal approaches](#) to calculate capital requirements are required to submit the data (regarding market and credit risk) to their respective competent Authority.

- [EIOPA updates information on interest rates and updates adjustments of equity charges](#)

i) Monthly technical [information](#) on relevant risk-free interest rate term structures, and ii) updates monthly symmetric adjustment of the [equity capital charges](#).

- [OJEU publishes Implementing Technical Standards on ECAs](#)

ITS mapping of credit assessments of External Credit Assessment Institutions for [credit risk](#), on [insurance](#) mapping, and on [securitisation](#).

UNITED STATES

- [CFTC proposed rule on swap provisions in cross-border transactions](#)

It [proposes](#) rules on application of swap provisions of the Commodity Exchange Act to cross-border transactions. Comment period: 60 days after publication in Federal Register.

SPAIN

- [CNMV clarifies issues regarding closed-type collective investment instruments](#)

Answers all the [questions](#) from the collective investment sector about Law 35/2003 that regulates the investment entities. Seeks to facilitate understanding of the standard.

Recent publications of interest (in English and Spanish):

- [Flash](#). EBA clarifies use of 2016 EU-wide stress test results in the SREP process
- [Regulation Watch](#). Setting a limit to leverage in banking. May 2016
- [Financial Regulation Outlook](#). October 2016
- [Digital Economy Outlook](#). July 2016

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

This document has been prepared by BBVA Research Department, it is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance. This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

In regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions in the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. It is forbidden its reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process, except in cases where it is legally permitted or expressly authorized by BBVA.