

Financial Regulation: Weekly Update. 28 October 2016

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GLOBAL

- FSB meeting of the Financial Stability Board Regional Consultative Group for Europe

Main subjects discussed: i) impact of low interest rates on asset prices and bank profitability, ii) implementation of TLAC, and iii) digital transformation.

EUROPE

- EBA calls for a simplified and more harmonised large exposures regime

Analyses the impact of aligning aspects of the EU large exposure regime with the standard of BCBS, highlights the importance of reducing exemptions and discretions.

- EBA consults on MREL reporting by resolution authorities

Proposes ITS on procedures and templates which resolution authorities use when informing EBA on MREL to monitor consistent implementation. Deadline: 21 Nov.

- ESMA issues MiFIR reporting instructions

Detailed reporting introductions and XLM schemas. Covers MiFIR (and MAR) requirements for reference data collection and publication, and transparency requirements.

- ESMA enforces priorities for 2016 financial statements

Defines the European common enforcement priorities in order to promote IFRS Standards as indicates in the ESMA guidelines about this thread.

- ECB releases its second Macprudential (MAPO) Bulletin

Three main issues: i) MAPO effects of systemic bank stress, ii) monitoring developments in euro area banks' risk weights, and iii) the role of high-frequency quoting and dark pools.

- ESRB publishes response to EC's consultation on the review of the EU MAPO framework

Among other things, it emphasises that the ESRB should continue being strongly connected to the ECB and

the European System of Central Banks (ESCB).

- EC presents 2017 work programme

Defines, among other things: i) key priorities for coming year, and ii) pending priorities (including EDIS, Banking Structural Reform, prospectus directive and securitisation).

SPAIN

- CNMV on distribution to customers of share classes of mutual funds and funds replication

It emphasizes the [duty of dealers](#) to act in the best interest of customers and points out some practices that do not comply with current regulations.

UNITED KINGDOM

- PRA releases responses to consultation paper on the implementation of MiFID II: Part 1

It [focuses on](#) the expansion of the scope and harmonisation of the passporting regime, and on systems and controls for algorithmic trading and direct electronic access to trade venues.

- FCA launched a consultation on its "Mission"

Provides a guiding set of principles around strategic decisions. The "Mission" sets the [strategy](#) and day-to-day work for the next years. Deadline 26 Jan.

- PRA for Solvency II firms: consults on reporting templates, and statement on internal models

i) Proposes [changes](#) to National Specific Template file type and reporting format. Deadline: 6 Dec, and ii) provides information on the [approach to monitoring](#) model drift and the reporting of the Solvency Capital Requirement formula.

UNITED STATES

- FRB keeps the Countercyclical Capital Buffer (CCB) at 0%

It covers private sector credit exposures located in the United States. The CCB [aims at](#) helping to absorb losses due to the deterioration of credit conditions.

- [FRB to collect data from banks for secondary market transactions of U.S. Treasury securities](#)

Aims to enhance [data collection](#) and complement the work of the Securities and Exchange Commission (SEC), which requires broker-dealers to report secondary market transactions.

- [FRB secure payments task force identifies key priorities and seeks comments](#)

Asks the industry for [comments on efforts](#) to enhance identity management, data protection and information sharing related to payments risks and fraud. Deadline: 8 Nov.

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](#). October 2016

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

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