

Financial Regulation: Weekly Update. 23 December 2016

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GLOBAL

- [FSB publishes progress report on correspondent banking](#)

Describes progress and steps taken to implement the action plan to assess and address decline in [correspondent banking](#). Also defines a set of deliverables for 2017.

- [IOSCO publishes several documents with the aim of protecting investors](#)

i) A [document](#) with possible regulatory approaches to mitigate risks that OTC leveraged products pose to retail investors. ii) A [consultation](#) on order routing incentives. Deadline: 21 Feb 2017 and iii) a [report](#) that monitors growing use of automated advice tools.

EUROPE

- [EBA on cyclical capital requirements](#)

[Report](#) shows weak evidence of the existence of pro-cyclical effects of CRR / CRD IV framework and recommends retaining a risk-sensitive capital framework.

- [EBA on next stress test and supervision of significant branches](#)

i) [Decision](#) to carry out EU-wide stress test in 2018. Includes an assessment of the impact of IFRS 9. ii) [Consultation](#) on supervision of significant branches. Deadline: 20 Mar 2017.

- [ECB consults on counterparty credit risk models](#)

i) [Draft guide](#) on the assessment of materiality that institutions need to develop for changes or extensions to counterparty credit risk models. Deadline: 14 Feb 2017.

- [EBA on LCR and covered bonds](#)

i) Third impact assessment report shows an [average LCR](#) in EU banks of 134% as of Dec 2015 and ii) report including a three-step approach to harmonise [covered bonds](#) in the EU.

- [ESRB launches survey on sovereign bond-backed securities](#)

Contains [56 questions](#) regarding the senior and junior tranche of the bonds, their potential regulatory treatment and the economics of their issue. Deadline: 27 Jan 2017.

- [EBA launched data collection for commodity derivatives firms](#)

To support the EC in the calibration of the new prudential regime for [investment firms](#). Covers general and financial information and prudential requirements. Deadline: 20 Feb 2017.

- [ESAs on Big Data, financial advice and qualifying holdings](#)

i) Consult about the [potential benefits and risks](#) of Big Data for consumers and financial firms to determine whether regulatory or supervisory action is needed. ii) conclusions on automation in [financial advice](#), and iii) [revised Guidelines](#) on prudential assessment of acquisitions and increases of qualifying holdings.

- [ESMA sets timetable for MiFID II waiver applications](#)

Its Q&A documents set out the [waiver application](#) schedule for 2017 in order for competent authorities and ESMA to handle applications in time for 3 Jan 2018.

- [ESMA reports areas for improvement in EU CCP supervision](#)

Identifies a [number of areas](#) where supervisory approaches differ among NCAs and includes recommendations to improve consistency in supervisory practices.

- [ESMA consults on supervision fees for trade repositories](#)

[Proposes](#) a mixed system of levying fees on specific administrative actions and an annual fee for ongoing supervision. Deadline: 31 Jan 2017.

- [EIOPA on long-term guarantees measures and measures on equity risk](#)

[Report](#) shows significant impact of these measures on the financial positions of insurers, indicating that these measures are working as intended.

- [EC implementing decision regarding regulatory equivalence published in OJEU](#)

[Supervisory and regulatory requirements](#) applied in Turkey, New Zealand, Faroe Islands and Greenland are considered equivalent to those applied in the EU.

- [EC adopts equivalence decisions for CCPs and trading venues in ten non-EU jurisdiction](#)

India, Brazil, New Zealand, Japan Commodities, United Arab Emirates and Dubai International Financial Centre have [regulatory regimes](#) for CCPs equivalent to the EU.

SPAIN

- [CNMV communicates its intention of complying with two ESMA guidelines](#)

[Final guidelines](#) on market soundings will be applicable from 10 Jan 2017 and guidelines on disclosure of inside information from 20 Dec 2016.

UNITED KINGDOM

- [PRA on reporting under Solvency II](#)

[Final rules](#) regarding templates to comply with reporting requirements for entities under Solvency II.

- [The Treasury Committee consults on several aspects of recovery and resolution](#)

The [consultation](#) covers, among other things, progress made by major UK banks and foreign economies on developing resolution and recovery plans. Deadline: 5 Mar 2017.

UNITED STATES

- [FRB on disclosure of liquidity risk metrics](#)

Requires large banking organisations (total consolidated assets > \$50 bn) to [disclose consolidated LCRs](#) on a quarterly basis.

Recent publications of interest (in English and Spanish):

- [Flash](#). Global | 2016 G-SIBs List. November 2016
- [Regulation Watch](#). New package of banking reforms. November 2016
- [Regulation Watch](#). Europe: TLAC implementation and MREL review. November 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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