

Financial Regulation: Weekly update. 21 April 2017

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GLOBAL

- FSB consults on framework for evaluation of the effects of regulatory reforms

Seeks [comments](#) on methodological aspects of the framework (e.g. evaluation approaches and evaluation challenges) in order to implement it in the coming years. Deadline: 11 May.

- BIS publishes report on repo market functioning

[Analyses](#) changes in the availability and cost of repo financing. There are signs of banks in some jurisdictions being less willing to undertake repo market intermediation.

EUROPE

- ESRB publishes review of Macroprudential Policy in the EU in 2016

Most of the [MAPO measures](#) implemented during 2016 were restrictive and related to the residential real estate sector and O-SIIs. There is still scope for further improvement.

- SSM issues guidelines harmonising supervisory rules for less significant institutions (LSIs)

It [presents](#) a set of recommendation affecting LSIs on Options and National Discretions addressed to national competent authorities.

- ECB publishes Annual Report 2016

It [highlights](#) main risks in the euro area financial sector, underlining that systemic stress is contained. Presents macro/micro prudential policy, and contributions to regulatory actions.

- ESAs publish spring report on risk and vulnerabilities in the EU financial system

Highlights financial institutions' [low profitability](#), valuation risks and repricing of risk premia, interconnectedness within financial system, and cyber risks and IT-related operational risks.

- EBA publishes ITS on supervisory reporting for EU institutions

[Final draft](#) includes: new information on sovereign exposure, changes to operational risk and on monitoring

metrics for liquidity, Q&A and other amendments. Application from Mar 2018.

- [EBA publishes report on IT Systems and supervisory reporting processes](#)

The [report](#) on the peer review was carried out to assess processes and IT systems implemented by supervisory authorities of all EU Member States.

- [ESMA issues opinion on the implementation of CCP portfolio margining under EMIR](#)

It [clarifies](#): i) when contracts can be considered as the same instrument and ii) CCPs have to limit the reduction in margin requirement when considering different instruments.

- [ESMA issues annual report on EU accounting enforcement and regulatory activities in 2016](#)

It [continued](#) improving consistency and quality throughout the EU. It presents priorities and areas to focus on for the upcoming implementation of IFRS 9 and IFRS 15.

- [EBA issues roadmap to its plan to update SREP on 2017-2018](#)

It [explains](#) the multi-stage approach which it wishes to follow on the update of the SREP framework. Open consultation will take place by Nov 2017.

- [ESMA consults on guidelines on endorsement regime for Credit Rating Agencies \(CRA\)](#)

Seeks [comments](#) to update the current regime. Endorsement is a way to allow credit ratings issued in other countries to be used for regulatory purposes in the EU. Deadline: 3 Jul.

- [EIOPA publishes methodology to derive ultimate forward rate](#)

[Follows](#) Solvency II principles, in particular to be stable over time and only take into account changes in expected long term real interest rates and inflation. Applies from Jan 2018.

- [ESAs issue official translation of the fourth AML Directive](#)

They [publish](#) 22 language versions of the final Guidelines on risk-based approach on the fourth AML Directive.

UNITED KINGDOM

- [PRA publishes policy and supervisory statement on remuneration](#)

i) [Policy statement](#) provides feedback on four responses to PRA's expectations on remuneration (Consultation Paper 33/16) and; ii) [Supervisory statement](#) consolidates statements on proportionality, the application of malus and other remuneration issues.

- [FCA updates its Mission and publishes 2017/18 Business Plan](#)

Its [objective](#) is to serve the public interest through the objectives set by Parliament. The Business Plan presents the main priorities, including Brexit-related issues.

Recent publications of interest (in English and Spanish):

- [Press Article](#). Creating Green Opportunities. March 2017
- [Press Article](#). Shadow banking: time to step out into the light. March 2017
- [Regulation Watch](#). White Paper on the future of Europe. March 2017
- [Regulation Watch](#). New package of banking reforms. November 2016
- [Financial Regulation Outlook](#). April 2017
- [Digital Economy Outlook](#). January 2017

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

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