

Financial Regulation: Weekly Update. 9 June 2017

Matías Daniel Cabrera / Pilar Soler / Alvaro Romero

GLOBAL

- [BIS publishes final revision to correspondent banking annex](#)

[Revisions](#) are consistent with Financial Action Task Force (FATF) guidance, help clarify rules applicable to banks conducting correspondent banking activities and its risk-based approach.

- [BIS issues FAQ on the Liquidity Coverage Ratio \(LCR\) under Basel III](#)

This [new set](#) of FAQs concerns issues within the LCR framework, and answers several interpretation questions asked to the Basel Committee relating to this standard.

EUROPE

- [SRB carries out its first resolution with Banco Popular](#)

After Banco Popular was assessed as failing or likely to fail by the [ECB](#), the [SRB](#), with the approval of the [Commission](#), declared the bank's resolution. [FROB](#) executed the process.

- [EC presents Capital Markets Union \(CMU\) Mid-Term Review](#)

Two thirds of the original Action Plan has already been delivered. [Includes](#) nine new priority actions to achieve a true CMU taking into account new challenges such as Brexit.

- [ESRB publishes Shadow Banking Monitor report findings](#)

Main risks: i) [liquidity and leverage risks](#) of investment funds, ii) interconnectedness and contagion, iii) procyclicality, leverage and liquidity risks from derivatives, iv) vulnerabilities in financial institutions outside the scope of the monitor.

- [EBA issues 2018 EU-wide stress test draft methodology](#)

It will cover 70% of the [banking sector](#); assessing banks' ability to meet supervisory capital ratios during an adverse shock. Final methodology by early 2018, results by mid-year 2018.

- [EC issues implementing regulation regarding CCPs](#)

It [extends](#) for six additional months (until 15 December) the transitional period regarding own funds

requirements for exposures to CCPs under CRR and EMIR.

- [Council agrees on more effective rules to counter money laundering](#)

Objectives: i) set minimum rules to define criminal offences and sanctions ii) remove obstacles to cross-border cooperation, iii) bring EU rules closer to international standards.

- [ESMA updates MiFID II / MiFIR Q&A and publishes CSDR guidelines translations](#)

i) New [Q&As](#) focused on information on costs and charges, post-sale reporting and appropriateness; ii) Publishes [official translation](#) for two guidelines regarding the Central Securities Depository Regulation.

- [EIOPA published XBRL Taxonomy, Q&As, update on equity charges and risk free interest](#)

i) New draft XBRL [Taxonomy](#) for reports with reference date 31 Dec. Comments welcomed by 30 Jun; ii) [Q&As](#) on templates to submit information to supervisors and on list of regional and local authorities; iii) Technical information on symmetric adjustment of [equity capital charge](#) for end-May; iv) Updates relevant [risk-free](#) interest rate term structure for end-May.

- [OJEU publishes new regulation by the EC under MiFID II](#)

This new ITS [concerns](#) the format and timing of position reports by investment firms and market operators of trading venues.

UNITED STATES

- [House of Representatives passes Financial Choice Act \(HR:10\)](#)

It voted [to pass the](#) Financial CHOICE Act, to amend the Dodd-Frank Act and the Consumer Financial Protection Act. Strong opposition on the Senate is expected.

Recent publications of interest (in English and Spanish):

- [Regulation Watch](#). Reflection paper on the future of the Eurozone. June 2017
- [Press Article](#). Brexit storm clouds. May 2017
- [Financial Regulation Outlook](#). April 2017
- [Digital Economy Outlook](#). April 2017
- [Press Article](#). Creating Green Opportunities. March 2017
- [Press Article](#). Shadow banking: time to step out into the light. March 2017

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

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