

Financial Regulation: Weekly Update. 7 July 2017

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GLOBAL

- FSB issues resolution planning guidance and report on implementation of reforms

i) Based on the answers to its public consultations of last December, it publishes its final guidance on [internal TLAC](#) for G-SIBs and on continuity of access to [financial market infrastructures](#), and ii) it also publishes a [report on the implementation](#) of resolution reforms.

- BCBS issue two consultations on simple, transparent and comparable (STC) securitisation

i) It consults on the [capital treatment](#) for banks acting as investors or sponsors of short-term STC securitisations. Deadline: 5 Oct. ii) Seek views on [criteria](#) to support development of short-term STC securitisation structures. Deadline: 5 Oct.

- FSB, CPMI, IOSCO and BCBS publish documents on CCP recovery and resolution

i) [Guidance](#) on CCP resolution and resolution planning complementing the key attributes of effective resolution regimes, ii) [report](#) to provide guidance on recovery of financial market infrastructures, iii) report to [provide](#) guidance to improve the resilience of CCPs, iv) report [analyzing](#) the interdependencies among CCPs, and v) report on the [implementation](#) of the joint workplan for strengthening CCPs.

- BCBS publishes Basel standards implementation report and RCAP for LCR

i) It updates [progress](#) and challenges for G20 countries on the implementation of Basel III since Aug 2016, and ii) it [assesses](#) the implementation of the liquidity coverage ratio for China, the United States (both compliant) and the European Union (largely compliant).

- FSB publishes assessment of shadow banking activities

[Highlights](#) the impact of the measures taken this decade. The toxic aspects of shadow banking that generated financial stability risks are no longer a global stability concern.

- FSB publishes several documents in preparation for G20 Hamburg 2017 Summit

i) It publishes its 3rd [annual report](#); ii) progress report on implementation of [compensation](#) standards; iii)

action plan to assess and address the decline in [correspondent banking](#); and iv) progress report on actions to tackle [misconduct](#) in the financial sector.

EUROPE

- [EBA consults on the implementation risk-based contributions \(RBC\) methods for DGS](#)

The aim is to [assess](#) whether the principles of the guidelines setting the methodology to calculate RBC in deposit guarantee schemes are met in practice. Deadline: 28 Aug.

- [EBA consults on central contact points in the revised Payment Services Directive \(PSD2\)](#)

[Consults](#) on draft RTS specifying criteria to determine when the designation of a central contact point is appropriate, and the functions that it should have. Deadline: 29 Sep.

- [ESMA consults about short-selling regulation](#)

Seeks [comments](#) on: scope and functioning of exemptions for market making activities, procedures to impose short-term bans on short selling, and transparency on the positions.

- [EBA launches data collection to support new prudential framework for investment firms](#)

It follows first [data collection](#) of 2016 and is aimed at supporting the response to the EC's call for advice on the new prudential framework for investment firms. Deadline: 3 Aug.

- [ESMA publishes three consultations on the new prospectus regulation](#)

i) [Consultation](#) on the format and content of the prospectuses, ii) consultation on EU Growth prospectus and iii) consultation on scrutiny and approval of prospectus. Deadlines: 28 Sep.

- [ESMA issues opinion on interim transparency and market size calculations under MiFID II](#)

i) [The calculations](#) specify the transparency regime applicable to trading in secondary markets from 3 Jan 2018, when MiFID II enters into force, ii) [the methodology](#) helps market participants to assess whether their activities in commodity derivatives can be considered as ancillary to their main business.

- [ESMA issues statement on the work on CFDs, binary options and speculative products](#)

In order to [protect](#) retail investors, it indicates it might use its intervention powers regarding speculative products to limit leverage, restrict their marketing, etc.

- [EBA updates risk dashboard for the first quarter of 2017](#)

[Highlights](#) that EU banks' capital ratio remains high and profitability improves, NPLs are slowly decreasing,

net interest margin remains stable and the loan-to-deposit decreases.

- OJEU publishes decision of the ECB on the reporting of funding plans

National competent authorities shall submit the [funding plans](#) of significant and less significant credit institutions to the ECB.

- ESAs publish Q&A on the Key Information Document

The main [objective](#) is to promote common supervisory approaches and practices in the implementation. Linked to methodologies underpinning risks, reward and costs information.

- EIOPA consults on its first set of advice on the Solvency II review

Asks for [opinions](#) on possible simplifications of the Solvency capital requirements Deadline: 31 Aug.

- EIOPA updates adjustment of the equity capital charge for Solvency II

Technical data on [symmetric](#) adjustment of the equity capital charge under Solvency II with reference June 2017.

SPAIN

- BdE consults on new accounting rules

It is aimed at introducing into the [accounting](#) framework the recently adopted international standards (IFRS 9 and 15). Deadline: 24 Jul.

- CNMV publishes technical guidance on financial institutions employee training

It aims at improving [investment clients' protection](#) and ensuring that financial institutions employees are well prepared to advise clients on taking better investment decisions.

- CNMV publishes annual report

Includes an [overview](#) of the economic and financial environment and functioning of markets as well as of the supervisory and regulatory actions taken by the CNMV.

UNITED KINGDOM

- FCA consults on staff incentives and performance management in consumer credit firms

It seeks [comments](#) on measures to deal with risks arising from the way consumer credit firms pay their staff.
Deadline: 4 Oct.

- [PRA updates reporting requirements to reflect IFRS 9 and reporting guidelines](#)

i) Contains [final rules](#) and expectations on reporting requirements after the introduction of IFRS 9 and ii) update of [guidelines](#) for completing regulatory reports.

- [FCA publishes annual report and accounts 2016/17](#)

It [includes](#): study on the asset management industry, their work on PPI, the design of rules to implement MAR and MiFID II, emphasis on encouraging technology innovation.

UNITED STATES

- [Federal Reserve and FDIC post public section of resolution plans](#)

Disclose public section of [resolution plans](#) (living wills) of eight large banks (GSIBs) and announce the deadline extension for two non-bank financial entities until 31 Dec 2018.

Recent publications of interest (in English and Spanish):

- [Press Article](#). The US reviews its banking regulation. July 2017
- [Regulation Watch](#). CMU Mid-Term Review Action Plan. June 2017
- [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

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

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