

Financial Regulation: Weekly Update. 6 October 2017

Matías Daniel Cabrera / Pilar Soler / Alvaro Romero
06 Oct 2017

GLOBAL

- [BCBS issues statement on NSFR and derivative liabilities treatment](#)

It agrees to allow [national discretion](#) for the treatment of derivative liabilities in the context of NSFR. Jurisdictions can use a “required stable funding” factor of 5%.

- [FSB publishes consultation on Unique Product Identifier \(UPI\) governance](#)

[Proposals](#) look to identify key criteria and functions for UPI governance arrangements. Deadline: 13 Nov.

EUROPE

- [ECB consults on its guidelines on Non-Performing Loans \(NPLs\)](#)

[Consults](#) on amendments regarding supervisory expectations for minimum levels of provisioning for new NPLs. Deadline: 8 Dec.

- [ECB issues opinion on proposed regulation regarding CCPs’ authorization](#)

It proposes amendments and [observations](#), and strongly supports the initiative to enhance central bank’s role in the supervision process and recognition of third country CCPs.

- [EBA publishes work programme for 2018](#)

Defines the [main challenges](#) in the EU banking landscape, highlighting 6 key priorities for next year (e.g. CRR/CRD and BRRD developments, risks from Brexit, or work on NPLs).

- [ESMA publishes work programme for 2018](#)

It [highlights](#) 4 main areas of work: application of MiFID 2/MiFIR, issues on data transparency, prospectus

regime, supervision of CRA and Trade Repositories.

- [EBA updates Risk Dashboard](#)

[Highlights](#) the main risks and vulnerabilities in the EU banking sector and how they progress in the last quarter. NPLs still affect the bank's profitability.

- [ESMA publishes translations for MiFID II guidelines](#)

[Official translations](#) of guidelines on transaction reporting, order record keeping and clock synchronisation under MiFID II.

- [ESMA updates Q&As on EMIR, CSDR and MiFID II](#)

Updates two guidelines on [EMIR AND CSDR](#), 12 new Q&As on the [investor protection](#) guidelines, includes new Q&A on [market structure and transparency issues](#) under MiFID II.

SPAIN

- [Council of Ministers approves Decree Law on the mobility of firms](#)

Seeks to [facilitate](#) the mobility of firms within national territory. The management board can directly make a decision on the change of the corporate headquarter (unless otherwise stipulated by the statutes)

- [BdE and CNMV extend the Financial Education Plan](#)

They signed the extension of the plan for the next 4 years (2018-2021). This plan aims to [improve financial education](#) of people of all ages.

UNITED KINGDOM

- [BoE updates approach to resolution and consults on internal MREL \(iMREL\)](#)

i) [Update](#) including key features of the resolution regime (i.e. Bank's statutory responsibilities and powers) and ii) [consultation](#) on the BoE approach to iMREL. Deadline: 2 Jan 2018.

- [PRA consults on changes to large exposures framework](#)

It proposes [clarifications](#) and changes to requirements on intragroup transactions in the large exposure framework. Deadline: 4 Jan 2018.

- [PRA issues Policy Statement and updates Supervisory Statement on IRB approach](#)

- i) [Policy statement](#) provides feedback to previous consultation on the Internal Ratings Based approach, and
- ii) [supervisory statement](#) updates PRA's expectations on the use of IRB.

- PRA issues Policy Statement, Supervisory Statement and Consultation on Leverage

- i) [Policy statement](#) on the exclusion of claims on central banks for leverage, ii) [supervisory statement](#) setting instructions on how to complete certain data items, iii) [consultation](#) on groups policy and double leverage.
Deadline: 4 Jan 2018.

UNITED STATES

- FRB announces extension of deadline on two proposals

[Extends](#) the period till Nov. 30 on two consultations about: i) enhance effectiveness of boards of directors at banks, and ii) new rating system for large firms.

Recent publications of interest (in English and Spanish):

- [Digital Economy Outlook](#). September 2017
- [Financial Regulation Outlook](#). July 2017
- [Regulation Watch](#). Reflection paper on the future of the Eurozone. June 2017
- [Press Article](#). Quo Vadis, Europe? August 2017
- [Press Article](#). The four "Cs" of the Hamburg G20. July 2017
- [Press Article](#). The US reviews its banking regulation. July 2017

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

This document has been prepared by BBVA Research Department, it is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance. This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

In regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions in the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. It is forbidden its reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process, except in cases where it is legally permitted or expressly authorized by BBVA.