

# Financial Regulation: Weekly Update. 3 November 2017

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## GLOBAL

- FSB issues report on Artificial Intelligence (AI) and machine learning in financial services

It is important to start thinking about the possible [financial stability implications](#) of the growing use of AI by financial institutions. It should continue to be monitored.

## EUROPE

- EBA issues consultations to strengthen Pillar 2 framework

Three [guidelines](#) to enhance: i) supervisory convergence in SREP, ii) management of interest rate risk from non-trading book activities, and iii) institutions' stress testing. Deadlines: 31 Jan 2018.

- EBA issues consultation regarding home-host cooperation under PSD2

Draft RTS [setting](#) the framework for cooperation and exchange of information between authorities. Clarifies information and templates to be used by firms. Deadline: 5 Jan 2018.

- EBA issues final guidance on supervision of significant branches

It aims to create a framework to improve the [identification](#) of the 'significant-plus' branches and facilitate coordination of supervision.

- EBA issues final recommendation on coverage of entities in banking group recovery plans

Aims to define [criteria](#) for identification of entities that need to be covered in group recovery plans: i) relevant for the group, ii) relevant for the economy, or iii) not relevant for either.

- EBA issues final timeline for the 2018 EU-wide stress test

The board decides to [extend the timeline](#) of the stress test, to address the challenges of the implementation of IFRS 9. Final methodology to be published on Nov.

- [EBA provides overview of implementation and transposition of CRD IV package](#)

Updates [information](#) disclosed by national competent authorities on the implementation of CRD IV and the use of options and discretions. Also includes information related to the SSM.

- [EC seeks feedback regarding crowd and P2P finance legislative proposal](#)

[The proposal](#) seeks to address two problems: i) market fragmentation and lack of scale, and ii) perceived lack of reliability of crowdfunding and P2P platforms. Deadline: 27 Nov.

- [ESMA updates Q&A on Alternative Performance Measures \(APMs\)](#)

Adds [six new questions](#) to the Q&A on the implementation of the guidelines of APMs.

- [ESMA publishes extract from enforcements database](#)

It includes a [selection](#) of 12 decisions taken by national authorities (from Jun 2015 to Feb 2017), from a confidential database of enforcement decisions on financial statements.

## UNITED KINGDOM

- [PRA issues policy statement regarding insurance SPVs](#)

It sets the final [approach](#) and expectations regarding the authorisation and supervision of insurance special purpose vehicles.

Recent publications of interest (in English and Spanish):

- [Financial Regulation Outlook](#). October 2017
- [Digital Economy Outlook](#). September 2017
- [Regulation Watch](#). European Commission withdraws Banking Structural Reform proposal. October 2017
- [Regulation Watch](#). Reflection paper on the future of the Eurozone. June 2017
- [Press Article](#). Moving towards a more selective and effective international banking regulation. October 2017
- [Press Article](#). Strengthening the European System of Financial Supervision

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

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