

# Financial Regulation: Weekly Update. 22 December 2017

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## GLOBAL

- [BCBS consults on proposed amendments to the NSFR](#)

It is related to the [treatment](#) of extraordinary monetary policy operations in the NSFR (reduced requirements for certain central bank claims). Deadline: 5 Feb.

- [BCBS consults on stress testing principles, and a range of practices report](#)

i) To replace the existing [principles](#) of 2009. Deadline: 23 March, and ii) compares supervisory and bank's internal [stress testing practices](#) identifying areas for progress.

- [FSB issues consultation regarding resolution regimes in insurance](#)

It presents the [methodology](#) to assess the implementation of the "Key Attributes of Effective Resolution Regimes for Financial Institutions" in the insurance sector. Deadline: 28 Feb.

## EUROPE

- [ECB publishes supervisory priorities for 2018 and SREP methodology booklet](#)

i) Main [priorities](#) are: business model and profitability drivers, credit risk, risk management and activities comprising multiple risk dimensions. ii) The [2017 edition](#), to be applied in 2018. It presents the main outcomes from the third SREP cycle.

- [EBA consults on internal models' benchmarking and FRTB and SA-CCR's implementation](#)

i) Aimed at adjusting [benchmarking](#) portfolios and reporting requirements for EBA's benchmarking exercise in 2019. Deadline: 31 Jan ii) [Discussion paper](#) on technical and operational challenges for the implementation of the new standards. Deadline: 15 Mar.

- [ECB asks for feedback on assessment of internal models for counterparty credit risk](#)

Draft [guidelines](#) on assessment methodology for the internal model method and the advanced CVA capital charge. Deadline 31 Mar.

- [EBA publishes LCR impact assessment report and full impact assessment of Basel III](#)

i) Fourth [impact assessment](#) report shows EU banks' average LCR well above 100% minimum requirement and concludes it has helped banks support lending to the real economy. ii) [Follow up](#) on Basel III cumulative assessment report that provides more granular information.

- [EBA issues RTS for simplified obligations on resolution plans and updates MREL analysis](#)

i) It [specifies](#) the eligibility criteria determining whether a financial institution can be subject to a simplified obligation regarding resolution plans. ii) The [updated](#) MREL quantitative analysis shows a modest improvement in the stack of MREL instruments in 2016.

- [SRB publishes its 2017 policy statement on MREL](#)

It [serves](#) as a basis for setting consolidated MREL targets for banks within the scope of the SRB.

- [EC issues proposals to modify prudential framework for investment firms](#)

[Proposal](#) of regulation and directive to amend current rules (in CRD IV / CRR and MiFID II / MiFIR). They seek to include proportionate and risk-sensitive rules for investment firms.

- [ESAs publish RTS on margin requirements for non-centrally cleared OTC derivatives](#)

Joint RTS [amending](#) EMIR regarding physically settled FX forwards. The amendments seek to bring alignment with the supervisory guidance applicable in other important jurisdictions.

- [ESMA consults on draft technical standards implementing the Securitisation Regulation](#)

[Papers](#): establishes a general framework for securitisation and creates a specific framework for simple, transparent and standardised (STS) securitisation. Deadline: 19 Mar.

- [EBA publishes opinion on the transition from PSD1 to PSD2](#)

[Addressed](#) to competent authorities, it clarifies challenges identified for the transition, including the transitional period foreseen under PSD2.

- [ESMA publishes final draft RTS regarding ESEF](#)

The RTS [sets out](#) the new European Single Electronic Format (ESEF) to be used by all issuers to prepare annual reports from 2020.

- [EC consults on inception impact assessment from measures to support SME listing](#)

It presents the [assessment](#) of measures to revive SME's public offerings and bond listings by alleviating burdens or removing regulatory obstacles. Deadline: 15 Jan.

- [ESMA updates Q&As on MiFID II and MiFIR and publishes translations for MiFID II guides](#)

i) Q&As on MiFID II [transparency](#) and market structure, ii) Q&As on MiFID II/ MiFIR [investor protection](#), iii) Q&A on MiFIR [data reporting](#), and iv) official [translations](#) for MiFID II guides on management body of market operators and data reporting services providers.

- [EIOPA updates data, issues supervisory statement, two reports, Q&A and an opinion](#)

i) Updates [portfolio](#) to calculate volatility adjustments to risk-free interest rate term structures. ii) [Supervisory statement](#) based on the analysis of solvency and financial conditions report. iii) Report on the use of [long-](#)

[term](#) guarantees, and [exemptions](#) from regular supervisory reporting. iv) [Q&A](#) on key information documents for insurance products. v) [Opinion](#) on supervisory assessment of internal models.

## SPAIN

- [BdE maintains its countercyclical buffer for 1Q2018](#)

It has [decided](#) to keep at 0% the value of the countercyclical capital buffer for credit exposures in Spain of credit institutions.

- [CNMV approves circular on website disclosure obligations of investment firms](#)

It sets the [content](#) to include in “Corporate governance and remuneration policy” sections. Investment firms have 3 months to comply with the requirements.

## UNITED KINGDOM

- [PRA consults on the authorisation approach to international banks and insurers](#)

It seeks views on the proposed approach to authorising and supervising third-country [banks](#) and [insurers](#) (with a focus on wholesale banks using branches). Both deadlines: 27 Feb.

## UNITED STATES

- [FDIC and FRB announce “living wills” of US GSIBs do not have deficiencies](#)

[Resolution plans](#) of the eight largest and most complex banking organizations do not have deficiencies. But, four firms have shortcomings that require additional work in the next plan.

- [FRB repeals Home Mortgage Disclosure and revises Consumer Leasing regulation](#)

[Repeal](#) of Home Mortgage Disclosure (Regulation C) which has been superseded by final rules issued by the CFPB. Also proposes to revise Consumer Leasing (Regulation M).

- [Agencies release annual Community Reinvestment Act asset-size threshold adjustment](#)

Adjustment to [thresholds](#) used to define small banks, small saving associations, intermediate small banks and intermediate small savings associations.

- [Agencies announce Shared National Credit definition change](#)

The [aggregate](#) loan commitment threshold to be included in the SNC program increases to \$100 million, in order to adjust for inflation and changes in the average loan size.

Recent publications of interest (in English and Spanish):

- [Regulation Watch](#). Global | 2017 G-SIBs List. November 2017
- [Regulation Watch](#). Banking Union: Half way there. November 2017
- [Press Article](#). Towards more selective and enforceable international regulatory standards. December 2017
- [Press Article](#). From inspiration to action: COP24. November 2017
- [Financial Regulation Outlook](#). October 2017

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

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