

Financial Regulation: Weekly Update. 6 April 2018

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GLOBAL

- FSB consults on legal barriers to over-the-counter (OTC) derivatives trade

The [survey](#) seeks responses from financial institutions and other reporting entities on issues they may face with legal barriers to the reporting of OTC derivatives. Deadline: 25 Apr.

- BCBS publishes report on early intervention frameworks and Q&A on market risk

i) Analyses how different supervisors have adopted the [frameworks](#) and tools for early intervention measures. ii) Second set of [FAQs](#) on the new revised market risk standard.

EUROPE

- ECB publishes annual report on supervisory activities

It [summarizes](#) the main activities carried out by the SSM (on-site supervision; TRIMs) that contribute to financial stability and EU resolution framework. Details its priorities for 2018.

- ECB consults on draft guideline to internal models

Aimed at ensuring a common and consistent application of [internal models](#) across entities. It is based on the TRIM project and this chapter is focused on credit risk. Deadline: 28 May.

- EBA consults on expanding complaints-handling guide to firms subject to PSD2 & MCD

To foster [consumer protection](#), promoting a level playing field for all products and providers (covering PISPs, AISPs, credit intermediaries and non-credit firms). Deadline: 27 May.

- EBA updates risk dashboard and includes additional page with real estate activities

i) It shows [improvement](#) in capital ratios and loan portfolios but NPLs and profitability remain a challenge. ii) In order to comply with ESRB [recommendations](#), it included an additional page in the dashboard with exposures referred to real estate activities.

- ESMA prohibits binary options and restricts Contracts for Difference (CFDs)

In [accordance](#) with MiFIR, it prohibits the marketing and sale of binary options and restricts that of CFDs for a period of three months (extendable). Objective: to protect retail investors.

- EMMI issues a consultation on hybrid methodology for Euribor

[Consults](#) on i) methodology based on market transactions whenever available. ii) Changes to current publication and discontinuation of certain tenors. Deadline: 15 May.

- ESMA issues report on enforcement actions and advice on prospectus regulation

i) [Annual report](#) on enforcement and regulatory activities of accounting enforcers in the EU. It highlights a continued focus on convergence. ii) [Technical advice](#) in response to the EC. It proposes a set of simplifications to the prospectuses format and content.

- ESMA issues report on SI under MiFIR and Q&A on commodity derivatives under MiFID II

i) It notes that systematic internalisers (SI) quotes should display the [minimum price growth](#) for EU trading venues. ii) Updates [Q&As](#) on position limits and reporting for commodity derivatives.

- ESMA issues guidelines on trade repositories (TRs) and consults on endorsement regime

i) [Guidelines](#) to harmonise position calculation for TRs applicable by 3 Dec. ii) [Consultation](#) on guidance on application of the endorsement regime. Deadline: 25 May.

- EC asks for feedback on a proposal for a regulation on cross-border payments

It seeks to [expand](#) the treatment of cross-border payments in euros between euro zone countries to all Member State outside the euro area. Deadline: 11 Jun.

- ESMA issues its [Trends, Risks, Vulnerabilities \(TRV\) Report](#) and some official translations

i) [Report](#) that shows that EU Alternative Investment Fund (AIF) industry is highly concentrated around a few large participants and asset classes. ii) Official translations of three sets of [guidelines](#) under the Central Securities Depository Regulation (CSDR).

- EIOPA consults on ITS on reporting and disclosure

[Consults](#) on corrections and amendments to improve understanding of the requirements and consistent application of the standards. Deadline: 11 May.

SPAIN

- BdE publishes report on banking supervision in Spain

It [summarizes](#) its tasks on micro- and macro-prudential supervision, and client protection. Describes advances in regulatory and supervisory forums, and some regulatory innovations.

- Official State Gazette publishes CNMV circular on warnings on to financial instruments

Credit institutions and investment firms must give [three kinds](#) of warnings to their clients: on particular complexity; on liability instruments eligible for internal recapitalisation and about significant differences

relative to the instrument's value. In force since 27 Jun.

UNITED KINGDOM

- BoE and FCA issue statement on regulatory approach following Brexit

They [welcome](#) the [transitional](#) period agreement, and consider it reasonable for firms using the passport to continue their activities in the UK without much change during this period.

- FCA issues its approach to supervision and enforcement, and a policy statement

i) It [sets out how](#) it will seek to be forward-looking when supervising, and how it will manage investigations and its powers when facing misconduct. ii) [Policy statement](#) with final rules regarding staff incentives, remuneration and performance management.

- FCA issues several consultations

i) On rules and [guidance](#) regarding how to give advice on pension transfers. Deadline: 25 May. ii) On the [approach](#) to and regime for collecting fees for the Payment Systems Regulator. Deadline: 10 May. iii) On [changes](#) to guidance on financial crimes to include insider dealing and market manipulation. Deadline: 28 Jun.

UNITED STATES

- FRB, FDIC and OCC issue final rule regarding commercial real estate appraisals

In order to [reduce](#) the regulatory burden, they raised the threshold for commercial real estate transactions that need appraisal from \$250,000 to \$500,000.

- US Treasury issues recommendations for the Community Reinvestment Act

[Focused](#) on four issues: definitions of geographic assessment areas, increase transparency of the assessment, improve the examination process, and provide performance incentives.

- OCC publishes Community Reinvestment Act evaluations

These are the [performance](#) evaluations for 24 national banks and federal savings associations. Twenty are satisfactory, and the other four are outstanding.

- CFPB issues two RFIs and a semi-annual report

i) Request for [Information](#) (RFI) on its “guidance and implementation support”, to assess their overall performance. Deadline: 2 Jul. ii) RFI to [assess](#) the efficiency of the consumer financial education

programmes. Deadline: 90 days from publication in Federal Registry. iii) [Semi-annual](#) report Fall 2017 including recommendations to the Congress to increase the oversight over the Bureau and restrain its powers.

Recent publications of interest (in English and Spanish):

- [Press Article](#). Liquidity or moratorium? March 2018
- [Press Article](#). Sustainable finance: less and less green. March 2018
- [Digital Economy Outlook](#). March 2018
- [Banking Outlook](#). February 2018
- [Financial Regulation Outlook](#). January 2018

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