



## Regulatory Radar

### Newsletter on regulation for the financial services industry

## Regulatory highlights

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## Solvency II regime enters into force

On 1 January, the Solvency II regime should enter into force. As the Belgian law, transposing Solvency II, however has not yet been published, the National Bank of Belgium (NBB) issued the following provisional circulars on 8 January:

- Provisional circular concerning guidelines for the execution of the of long-term guarantee measures ([NL/FR](#))
- Provisional circular concerning the accounting and the appreciation of assets and liabilities other than technical provisions ([NL/FR](#))
- Provisional circular concerning guidelines for reporting for purposes of financial stability ([NL/FR](#))
- Provisional circular concerning guidelines for reporting and publication ([NL/FR](#))
- Provisional circular concerning guidelines for the Own Risk and Solvency Assessment (ORSA) ([NL/FR](#))

These circulars clarify the guidelines issued by the European Insurance and Occupational Pensions Authority (EIOPA).

The circulars have a provisional character until the publication of the Belgian law transposing the Solvency II regime. A complete list of all provisional circulars can be found on the NBB's website ([NL/FR](#)).

Next to this, the NBB issued on 5 January a circular concerning additional reporting of statistics obtained using the standard formula for companies with an approved (partial) internal model ([NL/FR](#)). This circular states that, until 31 December 2017, insurance companies, including those with an approved (partial) internal model, should rely on the capital requirements calculated using the standard formula for Solvency Capital Requirement (SCR) when calculating the Minimum Capital Requirements (MCR).

Furthermore, in its communication of 4 January ([NL/FR](#)), the NBB stresses the importance of the quality of data concerning the reporting of the list of assets (so called element S.06.02). In the preparatory phase of Solvency II, the NBB observed that the reporting of the list of assets was insufficient for some insurance companies and groups. To guarantee a sufficient quality of this list, the NBB reminds the insurance sector of the detailed requirements of the log-file list of assets. The log-file [list of assets for the Solvency II preparatory phase reporting](#) and for the [Solvency II reporting](#) were added in annex to this communication.

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## Normative documents

No relevant documents.

## Consultative or informative documents

### European Securities and Markets Authority (ESMA)

#### ESMA consults on Market Abuse Regulation (MAR) guidelines regarding market soundings and delayed disclosure of inside information

On 28 January, ESMA has launched a public consultation on [draft guidelines clarifying the implementation of the Market Abuse Regulation \(MAR\)](#). MAR strengthens the existing market abuse framework by extending its scope to new markets, platforms and trading behaviours. It contains prohibitions for insider dealing and market manipulation, and provisions to prevent and detect these. Responses to the consultation can be submitted until 31 March 2016. ESMA will consider the feedback it receives to this consultation with a view to finalising the two sets of guidelines and publishing a final report by early Q3 2016, around the entry into application of MAR.

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### Basel Committee on Banking Supervision (BCBS)

#### Revised framework for market risk capital requirements issued by the Basel Committee

On 14 January, BCBS has issued the revised [minimum capital requirements for market risk](#). The purpose of the revised market risk framework is to ensure that the standardised and internal model approaches to market risk deliver credible capital outcomes and promote consistent implementation of the standards across jurisdictions. The revised market risk framework comes into effect on 1 January 2019. Over the implementation period, the Committee will continue to monitor the capital impact of the revised standard in order to ensure consistency in the overall calibration of the Basel capital framework.

### European Banking Authority (EBA)

#### EBA publishes revised final draft technical standards and guidelines on methodology and disclosure for global systemically important institutions

On 13 January, EBA published revised final draft technical standards and guidelines on the further specification of the indicators of global systemic importance and their disclosure. The need for this revision was prompted by the new data

template and some minor changes introduced by the Basel Committee on Banking Supervision (BCBS) in January 2015 for the identification of global systemically important banks (G-SIBs). The full data template with the detailed specification of the indicator values will be incorporated in the EBA guidelines and will be updated on an annual basis. The draft technical standards will be submitted to the European Commission for endorsement

### **EBA consults on draft guidelines on implicit support for securitization transactions**

On 20 January, EBA has launched a public consultation on [draft guidelines on implicit support for securitization transactions](#). The objective of the guidelines is to provide clarity on what constitutes arm's length conditions and when a transaction is not structured to provide support for securitizations. The consultation runs until 20 April 2016 and a public hearing is scheduled for 18 February 2016.

### **European Securities and Markets Authority (ESMA)**

#### **ESMA updates CRR standard on main indices and recognised changes**

On 29 January, ESMA has published its [opinion regarding Implementing Regulatory Standards \(ITS\) on main indices and recognised exchanges under the Capital Requirements Regulation \(CRR\)](#) as an update to the draft ITS published on 19 December 2014. However only two equity indices were proposed by the European Commission, ESMA has proposed to add a number of necessary updates to the list. The version of the updated list of main indices and recognised exchanges has been submitted to the European Commission.

### **International Capital Market Association (ICMA)**

#### **The ICMA updates its briefing note on MiFID II/R Trade transparency requirements in respect of bonds**

On 28 January, the ICMA has updated its [briefing note on MiFID II/R trade transparency requirements in respect of bonds](#), in the light of the [draft Regulatory Technical Standards \(RTS\)](#) published by ESMA in September 2015. These RTS are still to be approved by the co-legislators and could be subject to further change. The update expands the briefing note on regulation concerning systemic internalisers, waivers and deferrals.

# Investment products and asset management

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## Normative documents

### Financial Services and Markets Authority (FSMA)

On 26 January the FSMA, published a Circular on the communication of financial statements, statistics and documents to be added for the financial year 2015 (NL/FR) containing the relevant reporting requirements for institutions for occupational pensions. The circular follows the pattern of the previous circular FSMA\_2015\_of 20 January 2015. Substantial changes are marked in the text by a vertical line in the margin.

## Consultative or informative documents

### Financial Services and Markets Authority (FSMA)

#### **FSMA published the conclusion of the European stress test on occupational pension fund**

FSMA published the conclusion of the European stress test on occupational pension funds ([NL/FR](#)). EIOPA (European Insurance and Occupational Pensions Authority) conducted this stress test in 2015. Sixteen Belgian occupational pension funds took part in this European-wide exercise.

The participating pension funds were subjected to two different stress scenarios. The stress scenarios were applied both to the balance sheet figures calculated on the basis of the national solvency framework (National Balance Sheet - NBS), and to the so-called Holistic Balance Sheet (HBS). The Belgian results of the stress test are positive both under the Belgian solvency regime (NBS) and under the harmonized HBS. The stress test exercise shows, moreover, that the Belgian pension fund sector is, on average, highly resilient even under extremely tense economic circumstances. This result is due principally to the large buffers maintained by the pension funds concerned and/or to the presence of strong sponsors.

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## Deloitte Privacy Newsflash

*The Deloitte Privacy Newsflash is a newsletter that is being developed on a bi – monthly basis by the Deloitte Belgium Security and Privacy team, part of the Enterprise Risk Services business unit. In this regulatory radar, every two months, we include a reference to the latest issue of this newsflash, together with a list of the topics treated in that newsflash.*

### Highlights of the [February Issue](#):

- EU-US Privacy Shield: EU and US reach an agreement on new transatlantic data transfer framework
- US Congress passes Judicial Redress Act
- European Member States anticipate privacy changes
- European Court Of Human Rights rules on employee monitoring
- European Parliament votes on NIS Directive
- Facebook appeals Belgian court order to stop tracking non-account holders; the CNIL follows Belgian DPA
- European Watchdog publishes working programme for 2016
- Russia's "right to be forgotten" law enters into force
- Taiwan amends Personal Data Protection Law
- Recent breaches and enforcement actions
- Forthcoming interesting events

We are always interested in your feedback. Please let us know what you think of this newsletter and send your comments to [Regulatory Radar](#). Visit our website [here](#).

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