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Regulatory Highlights

1. Authorization dossier for management companies

On 10 May, the Financial Services and Markets Authority (FSMA) published a communication FSMA_2019_09 on the authorisation dossier for management company of undertakings for collective investment (UCI) or of alternative investment funds (AIFs) ([NL/FR](#)) accompanied by a checklist ([NL/FR](#)). The latter contains an overview of the information and documents that must be included in the authorization dossier of candidates that wish to apply for authorization as a management company of UCI or of AIFs. It also clarifies for every document at which moment it should be delivered to the FSMA:

- at start: document to be delivered upon request for authorization;
- progressive: policy to be delivered upon request for authorization, procedures to be held available for the FSMA for a period of 12 months upon receiving authorization; and
- deferred: document to be held available for the FSMA for a period of 12 months upon receiving authorization.

It is important to note that the fact that certain documents should only be made available to the FSMA after 12 months, does not dismiss management from its obligation to apply appropriate procedures to ensure compliance from the beginning.

2. Publication of EMIR Refit in the Official Journal of the European Union (OJ)

On 28 May, the [Regulation \(EU\) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending the European Market Infrastructure Regulation \(EMIR\) as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories \(TRs\) and the requirements for TRs](#) (EMIR Refit) was published in the OJ.

EMIR Refit, also referred to as EMIR 2.1, makes some targeted revisions to the clearing, risk mitigation, reporting and TR rules in EMIR. While some of the EMIR Refit revisions aim to make rules simpler and more proportionate, others in effect are likely to increase the regulatory burden already faced by firms. How significant the impact of these modifications is likely to be will depend on a firm's derivatives trading model, as well as other factors, such as whether it transacts with non-financial counterparties (NFCs), whether it is a clearing member, or has EU-established alternative investment funds in the group.

Key areas likely to increase requirements for firms are:

- expansion of the definition of a financial counterparty;
- risk management procedures for uncleared derivatives; and
- delegation of reporting.

Key areas likely to reduce requirements for firms are:

- introduction of an exemption from clearing for small financial counterparties;
- selective clearing for NFCs; and
- variation margin on physically settled FX products.

The Regulation entered into force and applies since on 17 June 2018 except for the following provisions:

- provisions set out in points (10) and (11) of Article 1 regarding initial margin models simulation tools and information on the initial margin models used and regarding national insolvency laws that shall not prevent a CCP from acting according to default procedures envisaged under EMIR will from 18 December 2019;
- provisions set out in points (7)(b) of Article 1 regarding reporting obligation will apply from 18 June 2020; and
- provisions set out in points (2)(b) and (20) of Article 1 regarding fair, reasonable, non-discriminatory and transparent commercial terms (FRANDT principle) and regarding general requirements for TRs will apply from 18 June 2021.

3. ESMA updates Q&As on MiFID II and MiFIR investor protection and intermediaries

On 29 May, the European Securities and Markets Authority (ESMA) updated its [questions and answers \(Q&As\) on the implementation of investor protection topics under the Markets in Financial Instruments Directive and Regulation \(MiFID II/MiFIR\)](#). The updated Q&As cover four new questions on best execution and four new questions on information on costs and charges.

Best execution (new questions 21 – 24)

- reporting for venues on the 'trading mode' according to regulatory technical standards (RTS) 27;
- reporting for venues and firms on template fields of RTS 27 and 28 if the required content is not applicable to their activities;
- reporting on 'passive' and 'aggressive' orders for firms using quote-driven systems to have client orders executed; and
- RTS 28 reporting and execution venues.

Information on costs and charges (new questions 27 – 30)

- ex-ante information in case of sell orders;
- ex-ante information in case of telephone trading;
- use of assumed investment amounts for ex-ante information in relation to investment services and/or products with non-linear charging structures; and
- use of ranges and maximum amount/percentages for ex-ante information.

Conduct of Business & Products

Normative Documents

Belgian Official Journal

Act amending the Act on the statute and supervision of credit institutions with regards to the banker's oath and disciplinary measures

On 2 May, the Act of 22 April 2019 amending the Act of 25 April 2014 on the statute and supervision of credit institutions with regards to the banker's oath and disciplinary measures was published in the Belgian Official Journal ([NL/FR](#)). The Act of 25 April 2014 has been amended to include a framework for creating legally enforceable professional ethics standards for individual staff members of credit institutions. Main objective of the Act is to introduce a banker's oath, with associated organisational requirements.

Next to this the Act also creates a professional ethics disciplinary authority (Orde voor Banktucht / Ordre disciplinaire du secteur bancaire).

The Act entered into force on 12 May.

Act of 2 May 2019 regarding various financial provisions

On 21 May, the Act of 2 May 2019 regarding various financial provisions was published in the Belgian Official Journal ([NL/FR](#)). The Act contains a variety of amendments to the existing legal framework. Relevant provisions include topics such as:

- the National Bank of Belgium's and the Financial Services and Markets Authority's supervisory powers;
- the implementation of the Benchmark Regulation on indices used as benchmarks; and
- the introduction of a new registration system for intermediaries.

The Act entered into force on 31 May.

European Commission (EC)

Commission Delegated Regulations concerning conflicts of interests in European funds

On 22 May, two Commission Delegated Regulations concerning conflicts of interests in European social entrepreneurship funds and European venture capital funds were published in the Official Journal of the European Union:

- [Commission Delegated Regulation \(EU\) 2019/819 of 1 February 2019 supplementing Regulation \(EU\) No 346/2013 of the European Parliament and of the Council with regard to conflicts of interest, social impact measurement and information to investors in the area of European social entrepreneurship funds](#); and

- [Commission Delegated Regulation \(EU\) 2019/820 of 4 February 2019 supplementing Regulation \(EU\) No 345/2013 of the European Parliament and of the Council with regard to conflicts of interest in the area of European venture capital funds.](#)

The objective of the Delegated Regulations is provide a framework to Managers of European social entrepreneurship funds and European venture capital funds for the adoption of procedures and measures to ensure the prevention, monitoring and management of conflicts of interest and harmonise the level of investor protection in the EU.

Both Delegated Regulations came into force on 11 June 2019 and will apply from 11 December 2019.

Consultative documents

Financial Services and Markets Authority (FSMA)

FSMA opinion on the interpretation of the standstill period provided with regard to initial public offerings (IPOs)

On 14 May, the FSMA published its opinion_2019_02 on the standstill period provided for in the Royal Decree on takeover bids ([NL/FR](#)). In this opinion, the FSMA assesses whether the standstill period applies to parties, which together hold over 30% of shares and have entered into a mutual agreement less than three years prior to an IPO. If affirmative, this could lead to these parties being bound by an obligation to bid in case they were to acquire additional shares with voting rights either (i) in the first two years following the IPO or (ii) the remaining two years of the standstill period. However, the FSMA argues that the standstill period does not apply to these parties, given that the Belgian norms on obligations to bid in the context of takeovers only apply as off the actual IPO.

New frequently asked questions (FAQs) on information for the employer regarding the management of the supplementary pensions

On 27 May, the FSMA published a new section in the FAQs on supplementary pensions ([NL/FR](#)).

The new FAQs provide answers to questions on the management of the supplementary pension plan by a pension institution.

European Securities and Markets Authority (ESMA)

ESMA submits technical advices on sustainable finance to the EC

On 3 May, ESMA published its [technical advice on integrating sustainability risks and factors in the Markets in Financial Instruments Directive \(MiFID II\)](#) and its [technical advice to the EC on integrating sustainability risks and factors in the Undertakings Collective Investment in Transferable Securities \(UCITS\) Directive and the Alternative Investment Fund Managers Directive \(AIFMD\)](#). These two final reports contain technical advice on the integration of sustainability risks and factors, relating to environmental, social and governance considerations with regards to investment firms and investment funds, into MiFID II, AIFMD and the UCITS Directive.

ESMA issues latest double volume cap (DVC)

On 8 May, ESMA updated its [public register](#) with the latest set of DVC data under MiFID II.

ESMA publishes data for the systematic internaliser (SI) calculations for equity, equity-like instruments and bonds

On 10 May, ESMA published an [update](#) of SI regime data. The updated publication covers equity, equity-like instruments and bonds. The date by which investment firms have to have completed their assessment must be compliant to comply with the SI obligations will be 24 May 2019.

The publication of the data for the SI calculations for derivatives and other instruments has been delayed until 2020 at the latest. The SI-assessment for those asset classes does not need to be performed until 2020 at the latest.

ESMA adjusts application of the trading obligation for shares in a no-deal brexit

On 29 May, ESMA published a [public statement on the impact of Brexit on the trading obligation for shares \(Article 23 of MiFIR\)](#). ESMA has concluded that an approach to the trading obligations on shares (STO) based only on the ISIN of the share would be more likely to minimise any such risk of disruption in the interest of orderly markets. As a consequence, the EU27 STO would not be applied to the 14 GB ISINs included in its previous guidance. ESMA has held regular discussions with the UK FCA to try to identify a way forward to avoid conflicting requirements, but at this stage it is unclear what would be the scope of the UK STO.

European Insurance and Occupational Pensions Authority (EIOPA) EIOPA submits advice on sustainable finance to the EC & a summary of its second roundtable discussion on sustainable finance

On 3 May, EIOPA published [its technical advice on the integration of sustainability risks and factors in the Delegated Acts under Solvency II and the Insurance Distribution Directive \(IDD\)](#).

A key aspect of the advice is the integration of sustainability in the prudent person principle for investments under Solvency II. In particular, insurers should reflect the impact of their investments on sustainability, promoting a stewardship approach by insurers and reinsurers.

In respect of product design and distribution, EIOPA calls for the introduction of a clear reference to environmental, social and governance (ESG) considerations in the implementing rules of the Insurance Distribution Directive on product oversight and governance as well as on conflicts of interest. Furthermore, EIOPA proposes an explicit link between the prudent person principle and the target market assessment in the product oversight and governance arrangements to ensure the delivery of ESG characteristics of a product, if promoted as such.

On the same day, EIOPA published a [summary of its second roundtable discussion on sustainable finance](#). The roundtable was focussed on (i) the integration of sustainability risks and factors in Solvency II and the Insurance Distribution Directive and (ii) Pillar 1 aspects to integrating sustainability in (re)insurers' investments.

EIOPA reviews the use of Big Data Analytics in motor and health insurance

On 8 May, EIOPA published its [thematic review on Big Data Analytics in motor and health insurance](#).

The review revealed a strong trend towards increasingly data-driven business models throughout the insurance value chain. Traditional data sources such as demographic data or exposure data are increasingly combined with new sources such as online or telematics data, providing greater granularity and frequency of information about consumer's characteristics, behaviour and lifestyles.

The evidence gathered shows many opportunities for Big Data Analytics for both the insurance industry as well as for consumers. However there are also risks which need to be addressed if this potential is to develop in a sound way. This is particularly the case regarding issues linked with fairness and principles for responsible behaviour in a digital age, as well as with the accuracy, transparency, auditability, and explainability of certain tools such as artificial intelligence and machine learning.

International Organization of Securities Commissions (IOSCO) IOSCO report on behavioural insights seeks to enhance retail investor protection

On 2 April, IOSCO published a [report on the application of behavioural insights to retail investor protection](#). The report, which describes behavioural biases and how they affect retail financial markets, finds that individuals tend to make different decisions when interacting with an online interface as opposed to interacting with a human or relying on print materials. The report concludes that while measures using behavioural insights have the potential to promote informed decision-making, it is important that regulators continue to impose standards of conduct on investment professionals.

Financial Crime & Market Integrity

Normative documents

Belgian Official Journal

Royal Decree (RD) defining the modalities and conditions to access the Ultimate Beneficial Owner (UBO) register

On 28 May, the RD established pursuant to the Article 322 § 1 alinea 2 of the Income Tax Code 1992 defining the terms and conditions to access the UBO register was published in the Belgian Official Journal ([NL/FR](#)).

The RD defines the terms and conditions for the general administrator of the competent General Administration to access the new UBO register.

It entered into force on 7 June.

Financial Services and Markets Authority (FSMA)

Periodic questionnaire on the prevention of money-laundering and terrorist financing (ML/TF)

On 20 May, the FSMA published its Circular FSMA_2019_10 on the periodic questionnaire on the prevention of ML/TF ([NL/FR](#)).

This Circular informs obliged entities on the contents of the information, and the modalities for their transmission, intended to be used to assess the compliance and the efficiency of the system they have implemented for combating ML/TF. This information is collected by means of an annual questionnaire, which is an important tool in the FSMA permanent legal supervisory powers in combating ML/TF.

European Commission (EC)

Regulatory technical standards (RTS) for the minimum action and the type of additional measures credit and financial institutions must take to mitigate ML/TF risk in certain third countries

On 14 May, the [Commission Delegated Regulation \(EU\) 2019/758 of 31 January 2019 supplementing the 4th Anti-Money Laundering Directive \(AMLD 4\) with regard to RTS for the minimum action and the type of additional measures credit and financial institutions must take to mitigate money laundering and terrorist financing risk in certain third countries](#) was published in the Official Journal of the European Union.

These RTS specify how credit and financial institutions should manage ML/TF risks where a third country's law prevents the implementation in their branches or majority-owned subsidiaries of group-wide policies and procedures on anti-money laundering and countering the financing of terrorism.

The Delegated Regulation entered into force on 3 June 2019 and will apply from 3 September 2019.

Consultative documents

No relevant texts.

Governance & Risk Management

Normative documents

Council of the European Union (EU Council)

EU Council adopts measures to reduce risk in the banking system

On 14 May, the EU Council adopted the following comprehensive legislative package which will reduce risks in the banking sector and further reinforce banks' ability to withstand potential shocks:

- [Regulation of the European Parliament and of the Council amending the Capital Requirements Regulation \(CRR\) as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and the European Market Infrastructure Regulation \(EMIR\) \(CRR 2\);](#)
- [Directive of the European Parliament and of the Council amending the Capital Requirements Directive \(CRD\) as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures \(CRD 5\);](#)
- [Directive of the European Parliament and of the Council amending the Bank Recovery and Resolution Directive \(BRRD\) as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Settlement Finality Directive \(BRRD 2\);](#) and
- [Regulation of the European Parliament and of the Council amending Regulation \(EU\) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms \(SRMR 2\).](#)

The package includes in particular the following key measures:

- a leverage ratio requirement for all institutions as well as a leverage ratio buffer for all global systemically important institutions;
- a net stable funding requirement;
- a new market risk framework for reporting purposes, including measures reducing reporting and disclosure requirements and simplifying market risk and liquidity rules for small non-complex banks in order to ensure a proportionate framework for all banks within the EU;
- a requirement for third-country institutions with significant activities in the EU to have an EU intermediate parent undertaking;
- a new total loss absorbing capacity (TLAC) requirement for global systemically important institutions;
- enhanced minimum requirement for own funds and eligible liabilities (MREL) subordination rules for global systemically important institutions (G-SIIs) and other large banks; and
- a new moratorium power for the resolution authority.

The banking package will be published in the Official Journal in the course of June and will enter into force 20 days later. Most of the new rules will start applying in mid-2021.

Consultative documents

No relevant texts.

Capital & Liquidity

Normative documents

European Commission (EC)

Commission Implementing Regulation for the calculation of technical provisions and basic own funds for reporting in accordance with Solvency II

On 7 May, the [Commission Implementing Regulation \(EU\) 2019/699 of 6 May 2019 laying down technical information for the calculation of technical provisions and basic own funds for reporting with reference dates from 31 March 2019 until 29 June 2019 in accordance with Solvency II](#) was published in the Official Journal of the European Union. In order to ensure uniform conditions for the calculation of technical provisions and basic own funds by insurance and reinsurance undertakings for the purposes of [Solvency II](#), technical information on relevant risk-free interest rate term structures, fundamental spreads for the calculation of the matching adjustment and volatility adjustments should be laid down for every reference date. For this purpose and for each relevant currency, insurance and reinsurance undertakings should use the technical information (which is based on market data) available in the annexes.

This Regulation entered into force on 8 May 2019 and applies since 31 March 2019.

Consultative documents

European Central Bank (ECB)

Single Supervisory Mechanism (SSM) methodology for less significant institutions (LSIs) followed in the supervisory review and evaluation process (SREP)

On 24 May, the ECB published its [2019 SSM LSI SREP methodology](#) in order to illustrate the main features followed in the SREP for LSIs. It concerns all national competent authorities (NCAs) that started implementing the LSI SREP methodology in 2018 and will continue to roll it out progressively to all LSIs by 2020 at the latest. From 2019:

- the parallel run of the liquidity assessment methodology will no longer take place, as the SSM LSI SREP methodology will be applied more consistently; and
- NCAs are expected to implement the Pillar 2 Guidance (P2G), in line with the [revised European Banking Authority \(EBA\) guidelines on SREP](#).

European Supervisory Authorities (ESAs)

Second amendment to the implementing technical standards (ITS) on the mapping of external credit assessment institutions (ECAIs) under the Capital Requirements Regulation (CRR)

On 21 May, the Joint Committee of the three ESAs – consisting of the European Securities and Markets Authority (ESMA), the European Banking Authority (EBA) and the European Insurance and Occupational Pensions

Authority (EIOPA) – published its [final report on draft ITS amending Implementing Regulation \(EU\) 2016/1799 on the mapping of ECAIs' credit assessment under Article 136\(1\) and \(3\) of CRR](#). This amendment to the ITS reflects the outcome of a monitoring exercise on the adequacy of the mappings, based on the additional quantitative and qualitative information collected after the original [Implementing Regulation \(EU\) 2016/1799](#) entered into force. In particular, the ESAs proposed to change the credit quality steps allocation for two ECAIs, and to introduce new credit rating scales for ten ECAIs. The ESAs also addressed the mappings of credit rating agencies (CRA) recently registered in accordance to the [CRA Regulation](#) and that are related to previously mapped ECAIs.

European Banking Authority (EBA)

Consultation on regulatory technical standards (RTS) on the standardized approach (SA) for counterparty credit risk

On 2 May, the EBA released a [consultation paper on draft ITS on mapping of derivative transactions to risk categories, on supervisory delta formula for interest rate options and on determination of long or short position in the SA for counterparty credit risk \(SA-CCR\) under Article 277\(5\) and Article 279a\(3\) of CRR 2](#). The RTS specify methods for the mapping of derivative transactions to risk categories, a formula for the calculation of the supervisory delta of options mapped to the interest rate risk category and a method for determining whether derivative transactions are long or short in their risk drivers.

The consultation runs until 2 August 2019.

European Securities and Markets Authority (ESMA)

Consultation on indices and recognized exchanges under CRR

On 24 May ESMA published a [consultation paper on amendment to Commission Implementing Regulation \(EU\) 2016/1646. Implementing technical standards \(ITS\) 2016/1646](#) sets the criteria to identify the main indices and recognized exchanges for the purposes of [CRR](#). ESMA, to identify the main indices, is proposing to use a new methodology that can be homogeneously applied to EU and non-EU indices. Under this new methodology, an index would qualify as a main index if it passes one of two tests as set out in the consultation:

- the first test aims at capturing indices composed predominantly by medium and large cap stocks; while,
- the second ensures that indices composed predominantly of small cap stocks are also eligible to be included in the list of main indices, as long as all the components of the index are sufficiently liquid.

The consultation runs until 5 July 2019.

Disclosure & Reporting

Normative documents

National Bank of Belgium (NBB)

Circular on the scheme of periodic reporting by electronic money institutions

On 20 May, the NBB published a Circular NBB_2019_10 on the scheme of periodic reporting by electronic money institutions ([NL/FR](#)). The Circular deals with both the periodic reporting on the solvency of the institutions and the financial periodic reporting. These periodic reports will be submitted to the NBB on a quarterly basis, except in special cases. The electronic money institutions governed by Belgian law shall submit to the NBB a detailed financial report on their activities statement and figures prepared in accordance with the rules set out in this Circular and guidelines. This Circular entered into force on 15 May 2019.

Circular implementing the European Banking Authority (EBA) on disclosure of non-performing and forbore exposures

On 21 May the NBB published a [Circular NBB 2019 11 implementing the guidelines of the EBA of December 17th 2018 on disclosure of non-performing and forbore exposures](#). One of the objectives of the [EBA guidelines](#) is to inform market participants on asset quality and nonperforming exposures of credit institutions as provided for in paragraph 6 of the EBA guidelines. To this end, the guidelines extend the existing disclosure requirements and specify a common content and uniform disclosure requirements for information on non-performing and forbore exposures. In addition, the guidelines also amend a number of existing disclosure requirements. This Circular aims to incorporate the EBA guidelines into the national regulatory framework for credit institutions governed by Belgian law, which are subject to some or all of the disclosure requirements set out in the [Capital Requirements Regulation](#) (CRR). The EBA guidelines will apply from 31 December 2019. These guidelines will therefore be applied for the first time in Pillar 3 disclosures as of 31 December 2019.

European Commission (EC)

Commission Delegated Regulation on the specification of a single electronic reporting format

On 29 May, the [Commission Delegated Regulation supplementing the Transparency Directive with regard to regulatory technical standards \(RTS\) on the specification of a single electronic format](#) was published in the Official Journal of the European Union. [The Transparency Directive](#) requires issuers whose securities are admitted to trading on a regulated market to make public their annual financial reports. The Commission Delegated Regulation states that issuers shall prepare their entire annual financial reports in XHTML format.

This Regulation entered into force on 18 June 2019 and will apply to annual financial reports containing financial statements for financial years beginning on or after 1 January 2020.

Consultative documents

European Supervisory Authorities (ESAs)

Consultation on implementing technical standards (ITS) on the reporting of intra-group transactions and risk concentration for Financial Conglomerates

On 22 May, the Joint Committee of the three ESAs – consisting of the European Securities and Markets Authority (ESMA), the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) – launched a [consultation paper on draft ITS on the reporting of intra-group transaction and risk concentration under Article 21a\(2b\) and \(2c\) of the Financial Conglomerates Directive](#). The ITS provide the foundation for the harmonisation of reporting, with one single set of templates and a single embedded dictionary using common definitions and a single set of instructions to fill in the templates.

The consultation runs until 15 August 2019.

European Banking Authority (EBA)

Equivalence of supervisory and regulatory requirements for Argentina

On 22 May, the EBA published its [opinion on the equivalence of supervisory and regulatory requirements in relation to Argentina](#). According to [CRR](#), under well-defined conditions certain categories of exposures to entities located in countries outside the EU can benefit from the same preferential treatment applied to EU Member States' exposures in terms of capital requirements. This would imply that EU credit institutions can apply preferential risk weights to relevant exposures to entities located in those countries. Following an assessment, the EBA concluded that the supervisory and regulatory framework applicable to credit institutions as documented in domestic laws and regulations in Argentina can be regarded as equivalent to those applied in the Union.

Amendment ITS on supervisory and resolution reporting for EU institutions and the corresponding Data Point Model (DPM) and XBRL taxonomy 2.9

On 28 May, the EBA published its [final report on draft ITS amending Implementing Regulation \(EU\) No 680/2014 with regard to the common reporting framework \(COREP\)](#). The amendments related to the ITS on supervisory reporting include:

- amendments with regard to COREP to reflect the new securitisation framework;
- amendments with regard to liquidity in response to the [liquidity coverage requirement Delegated Act](#); and
- clarifications and corrections as regards reporting on COREP and additional monitoring metrics for liquidity (technical amendments).

The documents covering modules on COREP, liquidity and resolution planning should include the following:

- a set of XML files forming the XBRL taxonomy and a description of the architecture of the XBRL taxonomy;

- a DPM data dictionary database together with a DPM table layout and data point categorisation; and
- a list of validation rules.

The first reporting reference date will be 31 March 2020 for COREP changes, 30 April 2020 for changes regarding liquidity and 31 December 2019 for resolution planning.

European Securities and Markets Authority (ESMA)

Update of question and answers (Q&As) on the EU Securitisation Regulation

On 27 May, ESMA [updated](#) its Q&As on the EU Securitisation Regulation providing clarification on different aspects of the templates contained in ESMA's [draft technical standards on disclosure requirements](#). In particular, the document clarifies how several specific fields in the templates should be completed. In addition, a new section has been added to the Q&As relating [ESMA's final report on draft RTS and ITS on simple, transparent and standardised notifications under the EU Securitisation Regulation](#).

Consultation on future reporting guidelines under the Securities Financing Transactions Regulation (SFTR)

On 27 May, ESMA published a [consultation paper on guidelines for reporting under Articles 4 and 12 SFTR](#). The guidelines include general principles that apply to SFT reporting, including how the reports should be constructed and where the reports should be sent. The guidelines provide clarity and a harmonised implementation on the following aspects:

- the number of reportable SFTs;
- the population of reporting fields for different types of SFTs;
- the approach used to link SFT collateral with SFT loans;
- the population of reporting fields for margin data;
- the population of reporting fields for reuse, reinvestment and funding sources data;
- the management by counterparties of feedback from TRs, namely in the case of rejection of reported data and reconciliation breaks; and
- the provision of access to data to authorities by trade repository (TR).

The consultation runs until 29 July 2019.

Consultation on periodic reporting rules for TRs

On 27 May, ESMA published a [consultation paper on guidelines on periodic information and notification of material changes to be submitted to ESMA by TRs](#). The guidelines clarify the format and frequency of the different categories of information which ESMA expects to receive in its role as supervisor of TRs in relation to the [European Market Infrastructure Regulation](#) (EMIR) and [SFTR](#). This is carried out by:

- establishing reporting schedules for TR;
- establishing reporting calendars for TRs based on reporting schedules;
- standardising reporting templates, channels and naming conventions; and
- providing additional reporting clarifications in areas where ESMA has identified a supervisory need.

This consultation runs until 27 August 2019.

Crisis Management

Normative documents

No relevant texts.

Consultative documents

European Securities and Markets Authority (ESMA)

Authorities designated to be notified of insolvency proceedings

On 13 May, ESMA published a [list of authorities designated to be notified of insolvency proceedings](#) with respect to the [Settlement Finality Directive](#).

The designated authority in Belgium is the National Bank of Belgium.

Financial Stability Board (FSB)

Evaluation of too-big-to-fail (TBTF) reforms

On 23 May, the FSB launches an [evaluation of TBTF reforms](#). The evaluation will assess whether the implemented reforms are reducing the systemic and moral hazard risks associated with systemically important banks (SIBs). It will also examine the broader effects of the reforms to address TBTF for SIBs on the overall functioning of the financial system.

The consultation ran until 21 June 2019.

Market Stability and Financial Markets Infrastructure

Normative documents

No relevant texts.

Consultative documents

National Bank of Belgium (NBB)

Guidelines on the security measures for operational and security risks of payment services

On 8 May, the NBB published Circular NBB_2019_09 regarding the European Banking Authority (EBA) Guidelines on the security measures for operational and security risks of payment services ([NL/FR](#)). The second payment services directive (PSD2) requires reporting to the supervisor of an updated and comprehensive assessment of the security risks associated with the payment services provided by the institution and the adequacy of risk mitigation measures taken and imported in response to these risks control mechanisms. The PSD2 requirements are included in NBB_2018_13. In addition, the report 'internal control' expects a similar analysis for the internal processes. Because these reports are partially similar, NBB_2019_09 requires the provisions regarding the PSD2 reporting included in NBB_2018_13 to be integrated into the internal control report on the indicated chapters.

European Securities and Markets Authority (ESMA)

Update on questions and answers (Q&As) regarding the benchmark regulation (BMR)

On 23 May, ESMA published its [Q&As regarding the BMR](#). The new Q&As provide clarification on the following issues:

- the information included in the ESMA register of administrators of benchmarks;
- determination of the Member State of reference; and
- the role of IOSCO principles and of external audit in the recognition of 3rd country administrators.

Update on Q&As regarding the Central Securities Depositories Regulation (CSDR)

On 23 May, ESMA published its [updated](#) Q&As on the implementation of CSDR clarifying aspects regarding the internalised settlement reporting requirements: matching, working days, and late instructions.

Update on Q&As regarding the European Market Infrastructure Regulation (EMIR)

On 28 May, ESMA published its [updated](#) Q&As on EMIR. The overall update mainly provides new answers on the implementation of the EMIR Refit framework with regards to:

- clearing obligation for financial and non-financial counterparties;
- procedure for notifying when a counterparty exceeds or ceases to exceed the clearing thresholds; and
- how counterparties should report derivatives novations and removes some obsolete references to frontloading when populating field “clearing obligation”.

Consultation on tiering, comparable compliance and fees under EMIR 2.2.

On 28 May, ESMA launched three consultations under EMIR 2.2:

- [consultation paper on draft technical advice on criteria for tiering](#) details the different indicators that can be used to specify the criteria ESMA has to consider in the assessment of a TC-CCP and provides insight as to what information ESMA may analyse to determine the systemic relevance of TC-CCPs
- [consultation report on technical advice on comparable compliance](#) discusses what and how ESMA should assess to apply comparable compliance and proposes the minimum elements to be considered in its assessment as well as the modalities and conditions to carry out this assessment and
- [consultation paper on ESMA fees for third-country central counterparties \(TC-CCPs\)](#) examines the determination of one-off recognition fees and the fees for Tier 1 and Tier 2 TC-CCPs, in addition to how comparable compliance will be reflected in the annual fees.

These consultations will run until 29 July 2019.

Financial Stability Board (FSB)

Review on implementation of the legal entity identifier (LEI)

On 28 May, the FSB published its [peer review report on the thematic review on implementation of LEI](#). The results of the peer review show that since the endorsement by the G20 in 2012 of the global LEI system, most FSB jurisdictions have implemented rules mandating LEI use in at least one area. The report entails recommendations to address the issues identified in the peer review and promote broader LEI adoption.

International Capital Market Association (ICMA)

Online buy-side and sell-side surveys in light of European investment grade (IG) corporate bond secondary market study

On 21 May, ICMA launched an online [buy-side](#) and [sell-side](#) survey as part of its third European IG corporate bond secondary market study. The surveys are intended to highlight market developments since the 2016 study, including market liquidity conditions, policy and regulation, factors affecting liquidity, trends and innovation in electronic trading, availability and use of data, and future sentiment, both from a buy-side and sell-side perspective. The surveys relate to European IG corporate bond markets in general, but where respondents wish to focus on specific sectors (e.g. euro, GBP, Nordic), they are able to do so.

European Payments Council (EPC)

Consultation on draft mobile initiated single euro payments area (SEPA) credit transfer interoperability implementation guidelines

On 23 May, the EPC launched a [public consultation on the final draft regarding mobile initiated SEPA credit transfer \(MSCT\) interoperability implementation guidelines](#). The guidelines aim through the description of MSCT use cases to provide an insight into the main issues related to the initiation of (instant) SEPA credit transfers in different mobile payment contexts.

The consultation will run until 24 August 2019.

Consultation on possible modifications to the SEPA proxy lookup (SPL) scheme rulebook

On 24 May, the EPC published a [change request public consultation document for the SPL scheme rulebook](#). This consultation document details:

- change requests submitted by stakeholder representatives including payment service providers (PSPs) or PSP communities and by the EPC's SPL Scheme Participant Group (SPG) for possible modifications to be introduced into the next version (v2.0) of the SPL scheme rulebook; and
- SPL SPG recommendations on the way forward with regard to the individual change requests.

The public consultation period runs until 26 August 2019.

Updated rules for financial derivative products and clearing

On 27 May, the EPC published a new version of the [clarification paper on the SEPA credit transfer \(SCT\) and SEPA instant credit transfer \(SCT Inst\) scheme rulebooks](#) as well as a new version of the [clarification paper on the SEPA direct debit \(SDD\) core and SDD business-to-business \(B2B\) rulebooks](#). Both papers address operational aspects related to the SDD Core, SDD B2B, SCT and SCT Inst rulebooks and seek to ensure consistent implementation of the two EPC direct debit and the two credit transfer rulebooks by payment service providers participating in the schemes.

Guidance on reason codes for SEPA instant credit transfer R-transactions, SEPA credit transfer R-Transactions and SEPA direct debit R-transactions

On 27 May, the EPC published three guidance's on reason codes for SEPA:

- [guidance on reason codes for SEPA instant credit transfer \(SCT Inst\) R-transactions](#);
- [guidance on reason codes for SEPA credit transfer \(SCT\) R-transactions](#);
- and
- [guidance on reason codes for SEPA direct debit \(SDD\) R-transactions](#).

The new guidance's are effective as of 17 November 2019. One of the main benefits of the SCT, the SCT Inst, and the SDD schemes is that the scheme rules streamline exception handling, at both process and dataset level. This allows straight-through-processing and automated exception handling end-to-end.

Regulatory Perimeter

Normative documents

No relevant texts.

Consultative documents

Financial Services and Markets Authority (FSMA)

Annual report of the Belgian audit oversight college 2018

On 17 May the FSMA published the annual report of the Belgian audit oversight college 2018 ([NL/FR](#)). The report describes the college's activities, and in particular the actions taken with regard to the supervision on compliance with the anti-money legislation applicable to auditors. For the first time, the report also includes statistics on the college's supervision and the sector itself.

Technology & Innovation

Normative documents

No relevant texts.

Consultative documents

No relevant texts.

Supervision

Normative documents

No relevant texts.

Consultative documents

European Banking Authority (EBA)

2018 Annual report

On 29 May, the EBA published its [2018 annual report](#). The report provides a detailed account of all the work the EBA achieved in 2018 and anticipates the key areas of focus in the coming year. The top priority of 2018 was Brexit. Throughout 2018, the EBA worked to ensure good preparedness at all levels for the consequences of the UK's withdrawal, taking into account all possible outcomes, including the worst-case scenario. Furthermore, the EBA worked around its central role in the regulation and policy framework, with the development and maintenance of the Single Rulebook and the work EBA delivered on payments and on payments among other topics.

In 2019 the EBA will focus, among other things, on the action plan to tackle non-performing loans in Europe, conduct research regarding financial innovation and banking data, and continue its work on the regulation and policy framework.

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