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Risk and Regulation Monthly Cover Note

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The FSB reported on the implementation of **post-crisis regulatory reforms**, finding that ongoing attention was merited on market liquidity, emerging and developing markets, and maintenance of an open and integrated financial system. On **Basel III implementation**, the BCBS found that challenges remained in the implementation of margin requirements for non-centrally cleared derivatives and adherence to the revised Pillar 3 framework. IOSCO and FSB also published documents on **CCP resilience and resolution**.

To maintain UK financial stability, the FPC decided that banks can exclude central bank reserves from the total exposure measure in their calculation of the **leverage ratio**. The PRA set out its expectations on how the **remuneration requirements in the Solvency II Regulation** should apply in the UK, focusing on the identification of Solvency II staff, deferrals, and performance measurement.

The FCA proposed a 2019 **deadline on new PPI complaints** and a campaign to raise consumer awareness in 2017. It also published final rules to increase transparency and engagement at **renewal in general insurance markets**.

The CMA set out final remedies to promote **competition in retail banking**, requiring the largest banks to implement "open banking" by 2018, which will enable customers to manage their accounts with multiple providers through a single digital "app".

What's in the pipeline?

The FCA is expected to publish its third consultation on **MiFID II** implementation and the MiFID II Delegated Acts will start to be published in the Official Journal of the EU over the coming months, following scrutiny in the European Parliament and Council. More detail will emerge on how and whether the **PRIIPs** RTS will be redrafted and on the possibility of a delay to the PRIIPs application date.

Further work is expected in the months ahead on a European Commission legislative proposal **amending CRD IV/CRR** to complete the Basel III agenda, to incorporate aspects of "Basel IV", and to implement Total Loss Absorbing Capacity (TLAC) in the EU. Meanwhile, the Basel Committee continues to work through a variety of proposals to amend the **calculation of risk-weighted assets** and ultimately to reach a decision on the overall calibration of the capital framework, including risk-weighted asset floors.

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