

# Financial Regulatory Update

November 2019

Please find below our Financial Regulatory Update for November 2019. With these updates, K law aims to make your life a little easier by flagging relevant regulatory developments per sector. Because we understand that managing regulatory change is a major business issue in itself.

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## General interest

- 06.11.2019 Joint statement by the Commission and the Council on [stablecoins](#), ENG
- 18.11.2019 EBF publishes [position paper](#) on the **Distance Marketing of Financial Services Directive**, [ENG](#)
- 28.11.2019 EBA publishes final **Guidelines on ICT and security risk management**, [ENG](#)
- 28.11.2019 UK FCA publishes short newsletter on **Robo-Advice** , [ENG](#)

## Sustainable finance

- 14.11.2019 EIB launches ambitious **new climate strategy and Energy Lending Policy**, [ENG](#)
- 19.11.2019 EFAMA publishes position on **EU Taxonomy** for sustainable activities in light of the trilogue negotiations, [ENG](#)
- 22.11.2019 EBF publishes board communiqué calling on the EU to leverage its agenda for the financial sector to boost the **global competitiveness** and **sustainable finance**, [ENG](#)
- 27.11.2019 EU Official Journal: publication of Regulation (EU) 2019/2088 of 27 November 2019 on **sustainability-related disclosures** in the financial services sector (SFDR), [ENG](#)

## Banking

- 07.11.2019 EBA publishes 2020 **EU-wide stress test methodology** and draft templates, [ENG](#)
- 08.11.2019 EBA publishes report on trends in **asset quality** of the EU banking sector, [ENG](#)
- 08.11.2019 EBA updates its **Single Rulebook Q&A** on **CRR**, see:
- Question [2017\\_3567](#) (on minority interest, AT1 and T2 instruments qualifying for inclusion in consolidated own funds)
  - Question [2017\\_3628](#) (on clarification on application of incurred CVA to the Leverage Ratio Exposure calculation)
  - Question [2018\\_4300](#) (on Immovable property collateral under the Standardised approach & Credit risk mitigation principles)
  - Question [2018\\_4302](#) (on deduction of deferred tax assets that rely on future profitability)
- 08.11.2019 EBA updates its **Single Rulebook Q&A** on **BRRD**, see:
- Question [2018\\_3928](#) (on requirements in Commission Delegated Regulation (EU) 2016/1712)
  - Question [2018\\_4002](#) (on treatment of negative contribution base while calculating contributions to resolution financing arrangements)
  - Question [2018\\_4213](#) (on clarification of Z02.00, row 0200 (DGS liabilities))
  - Question [2019\\_4465](#) (on application of Article 254(2) to derivative

exposures)

- 08.11.2019 EBA updates its **Single Rulebook Q&A** on **CRD**, see:
- Question [2019\\_4448](#) (on IRRBB Application of the sudden parallel)
- 20.11.2019 BCBS publishes [report](#) on **open banking** and **application programming interfaces** (APIs) monitoring the evolving trend of open banking and discussing the implications of these developments on banks and banking supervision, [ENG](#)
- 21.11.2019 EBA publishes its **roadmap** on the **risk reduction measures package** focusing on governance and remuneration, large exposures, resolution and reporting and disclosure, [ENG](#)
- 21.11.2019 ECB publishes occasional paper “The ECB after the crisis: existing synergies among **monetary policy, macroprudential policies** and **banking supervision**”, [ENG](#)
- 27.11.2019 BCBS publishes [guiding principles](#) for the **operationalisation** of a **sectoral countercyclical capital buffer**, [ENG](#)
- 27.11.2019 EU Official Journal: publication of **Regulation (EU) 2019/2089** of 27 November 2019 **amending the Benchmarks Regulation (EU) 2016/1011** as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks, [ENG](#)
- 29.11.2019 ESMA publishes its annual **market share calculation** for EU registered **credit rating agencies** (CRAs) for 2019, [ENG](#)
- 29.11.2019 EBA updates its **Single Rulebook Q&A** on **CRR** regarding market risk, see
- Question [2017\\_3137](#) (on clarification of the treatment of contracts for difference (CFD))
  - Question [2018\\_4021](#) (on separate IMA approval or summation approach for market risk OFR at consolidated level)
  - Question [2019\\_4458](#) (on Offset of Additional Value Adjustments (AVA) against day one profits deferral)

## Lending

- 29.11.2019 FPS Economy publishes revised [maximum annual percentage rate of charge for consumer credits](#) applicable as per 1 December 2019 for instalment loans and financial lease contracts, [NL](#) / [FR](#)
- 07.11.2019 ECJ judgement (joined cases C-419/18 and C-483/18) on **unfair terms in consumer credit agreements** and on **promissory notes** securing the debt under a consumer credit agreement, [ENG](#)

## Insurance

### *Belgium*

- 05.11.2019 NBB publishes communication 2019\_28 in order to impose an additional

condition for the granting of an **exemption** from the obligation to make an addition to the **additional provision** for financial year 2019, [NL](#) / [FR](#)

20.11.2019 FSMA publishes **feedback** on **inspections** regarding conflicts of interest and inducements, [NL](#)

25.11.2019 FSMA publishes sectoral overview of 2019 on the **second-pillar pension**, [NL](#) / [FR](#)

## EU

07.11.2019 EU Official Journal: publication of Regulation (EU) 2019/1902 of 7 November 2019 laying down technical information for the **calculation of technical provisions and basic own funds** for reporting with reference dates from 30 September 2019 until 30 December 2019 in accordance with Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance, [ENG](#)

08.11.2019 EIOPA updates its **Q&As** on the templates for the **submission of information to the supervisory authorities** as set out in Commission Implementing Regulation (EU) 2015/2450 supplementing Solvency II, [ENG](#)

08.11.2019 EIOPA updates its **Q&As** on procedures formats and templates of the **solvency and financial condition report** as set out in Commission Implementing Regulation (EU) 2015/2452 supplementing Solvency II, [ENG](#)

19.11.2019 EIOPA publishes second annual **European Insurance Overview**, [ENG](#)

25.11.2019 EIOPA updates its **Q&As** on **Solvency II**, [ENG](#)

## MiFID II / MiFIR

06.11.2019 MSG publishes its **advice** to ESMA on the latter's [Consultation](#) on draft guidelines on certain aspects of the **MiFID II compliance function**, [ENG](#)

08.11.2019 ESMA updates its [public register](#) with the latest set of **double volume cap (DVC) data** under MiFID II, [ENG](#)

08.11.2019 ESMA makes new data for **bonds** subject to **pre- and post-trade requirements** of MiFID II and MiFIR available, [ENG](#)

08.11.2019 ESMA publishes data for the **systematic internaliser calculations** for equity, equity-like instruments and bonds under MiFID II and MiFIR, [ENG](#)

15.11.2019 MSG publishes its **advice** to ESMA's [call for evidence](#) on the effects of **product intervention measures** regarding CFD's and binary options on market participants and clients, [ENG](#)

27.11.2019 ESMA publishes responses to [consultation](#) on **aligning MiFIR** to the changes introduced by **EMIR 2.1**, [ENG](#)

## Asset management

### Belgium

06.11.2019 FSMA publishes communication (2019\_28) on the continuing professional **training of accredited statutory auditors**, [NL](#) / [FR](#)

### EU

14.11.2019 SMSG publishes its **advice** to ESMA's [Consultation Paper](#) on Guidelines on **performance fees in UCITS**, [ENG](#)

27.11.2019 ICMA's Asset Management and Investors Council publishes [annual AMIC Review](#) on current asset management industry issues and trends, [ENG](#)

## Payments

04.11.2019 NBB sets up procedure for the accreditation of **statutory auditors** with a view to carrying out an audit mandate with **payment and electronic money institutions**, [NL](#) / [FR](#)

04.11.2019 BIS publishes **statistics** on new systems, new methods and new players shaping the **future of payments**, [ENG](#)

08.11.2019 EBA updates its **Single Rulebook Q&A** on **PSD2** regarding strong customer authentication and common and secure communication, see:

- Question [2018\\_4044](#) (on Transaction Risk Analysis exemption – Time period for calculation of initial fraud rate)

## Compliance/AML

06.11.2019 NBB raises **awareness** in financial sector about **AML/CFT**, [ENG](#)

08.11.2019 BIS issues **consultative document** on the "*Introduction of guidelines on interaction and cooperation between prudential and AML/CFT supervision*", [ENG](#)

18.11.2019 FSMA publishes new questionnaire for the **accreditation of Compliance Officers**, [NL](#) / [FR](#)

26.11.2019 NBB communication 2019\_29 on the deadline for the submission of **compliance reports** via eCorporate, [NL](#) / [FR](#)

## Capital markets

13.11.2019 FSMA publishes guidelines on risk factors under the **Prospectus Regulation**, [ENG](#)

15.11.2019 ESMA updates its [Q&As](#) on the **Securitisation Regulation** clarifying how several specific fields in the templates should be completed, the STS

notifications and the securitisation repositories, [ENG](#)

## Market Infrastructures

- 11.11.2019 ESMA publishes three sets of technical advice to the European Commission regarding **third-country central counterparties** (TC-CCPs) under EMIR 2.2 (on the [criteria](#) to determine whether a TC-CCP is systemically important, the assessment of [comparable compliance](#) and the [fees](#) to be charged to TC-CCPs), [ENG](#)
- 14.11.2019 ICMA amends buy-in rules in order to support implementation of **EU CSDR mandatory buy-in provisions**, [ENG](#)
- 22.11.2019 ICMA publishes updated **Electronic Trading Platform (ETP) mapping directory** clarifying what execution and non-execution venues are available for cash bonds, [ENG](#)
- 27.11.2019 ICMA publishes [report](#) on the expected impact of the new **mandatory buy-in regime under CSDR** on bond markets in Europe, [ENG](#)

## Agenda

- 07.01.2020 Deadline for responding to EBA's consultation on **specific supervisory reporting requirements for market risk**, [ENG](#)
- 08.01.2020 Deadline for responding to ESMA's [consultation](#) on **position limits and position management in commodity derivatives** under **MiFID II**, [ENG](#)
- 13.01.2020 Deadline for submission of feedback to ESA's consultation concerning amendments to the **PRIIPS KID**.
- 15.01.2020 Deadline for submission of feedback to EIOPA's opinion on the 2020 review of **Solvency II**.
- 31.01.2020 Deadline for submission candidacy for accreditation as statutory **auditor** in a **payment institution** or an **institution for electronic money** with the NBB, [NL](#) / [FR](#)
- 06.02.2020 Deadline for submission of feedback to BCBS's [consultation](#) on the Introduction of guidelines on interaction and cooperation between **prudential and AML/CFT supervision**, [ENG](#)
- 13.02.2020 Deadline for responding to EBA's consultation on draft amended Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) on **passport notification**, [ENG](#)
- 14.02.2020 Deadline for submission of feedback to BCBS's [consultation](#) on Pillar 3 **disclosure** templates related to banks' **market risk**, [ENG](#)
- 14.02.2020 Deadline for submission of feedback to BCBS's [consultation](#) on the voluntary **disclosure of sovereign exposures**, [ENG](#)
- 25.02.2020 Deadline for submission of feedback to BCBS's [consultation](#) on its targeted revisions of the **credit valuation adjustment risk**, [ENG](#)

03.12.2020

Deadline for **implementation** of the [6<sup>th</sup> Anti-Money Laundering Directive](#) by the Member States in their national legislation.

## **DISCLAIMER**

*Although we aim to provide you with a comprehensive overview of the most recent regulatory developments, we cannot guarantee to provide you with an exhaustive overview of all relevant developments in this newsletter. This newsletter is compiled with the greatest care but the information comprised herein is intended as general information and cannot be regarded as legal advice. K law cannot accept any liability for the consequences of making use of this information without its cooperation.*