

Jurisdiction : **European Commission**

2013 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Regulation), strengthening the regulation and transparency of derivatives instruments (EMIR), aligning incentives in securitisation transactions (CRD), enhancing rating agencies (CRA I, II and III), adjusting accounting standards.</p> <p>Web-links to relevant documents:</p> <p>http://ec.europa.eu/internal_market/consultations/2012/shadow_en.htm</p>	<p>Web-links to relevant documents:</p> <p>http://ec.europa.eu/internal_market/finances/shadow-banking/index_en.htm</p>

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II. Hedge funds					
2 (3)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds ...(Seoul)</p> <p>Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)</p>	<p>Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO's Report on Hedge Fund Oversight (Jun 2009) that inter-alia included mandatory registration and on-going regulatory requirements such as disclosure to investors.</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : Directive: 21 July 2012 ; Regulation: 11 April 2013</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The AIFMD and its implementing and delegated Regulations introduce rules for the registration or authorisation of AIFMs, the on-going operation of the AIFM's business and rules on transparency and supervision. Depending on the assets under management they administrate or the use of leverage AIFMs have to either register or apply for an authorization. Registered AIFM have to comply with minimum requirements regarding the reporting of information to competent authorities</p>	<p>Planned actions (if any):</p> <p>Member States are in the course of implementing the Directive into national law. The Directive has to be transposed by 22 July 2013. The Regulation will apply as of the same date.</p> <p>Expected commencement date:</p> <p>22 July 2013</p> <p>Web-links to relevant documents:</p>

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				<p>whereas authorised AIFMs which are leveraged on a substantial basis have to comply with a wider set of reporting requirements. AIFMs have to comply with organisational and operational standards such as the risk and liquidity management or the identification, prevention, managing and monitoring of conflict of interests. AIFMs have to make available to investors for each AIF they manage and/or market in the Union information such as a description of the investment strategy, changes to the maximum level of leverage, the risk profile of the AIF. Furthermore AIFMs have to comply with rules on initial capital and own funds, whereby the AIFM have to provide an additional amount of own funds where the value of the portfolios of AIFs managed by an AIFMs exceeds EUR 250 million. AIFMs have to appoint a depositary which has to safeguard the assets of the AIF either by holding them in custody or by verifying the ownership of the AIF and maintaining a record these assets. The AIFM has to ensure that there are consistent and appropriate procedures in place in order to value assets of the AIF properly and independently.</p>	

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				Web-links to relevant documents: http://ec.europa.eu/internal_market/investment/alternative_investments/index_en.htm	

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3 (4)	Establishment of international information sharing framework	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)	Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO's Report on Hedge Fund Oversight (Jun 2009) on sharing information to facilitate the oversight of globally active fund managers.	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : Directive 21 July 2012 ; Regulation: 11 April 2013</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Implementation via the Alternative Investment Fund Managers Directive and Delegated Regulation. For the purpose of identifying the build-up of systemic risk by the use of leverage and the potential systemic consequences of the AIFM's activities the AIFMD and its implementing Regulation foresees rules on the use of information by competent authorities and the exchange of information between the competent authorities. Subject to specific conditions a disclosure of information to third countries is possible.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>Web-links to relevant documents: http://ec.europa.eu/internal_market/investment/alternative_investments/index_en.htm</p>	

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4 (5)	Enhancing counterparty risk management	Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)	Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties. See, for reference, the following BCBS documents :	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify:	Planned actions (if any): The CRD/CRR package entered into force across the EU on 28 June 2013 (CRR) and 17 July 2013 (CRD IV) transposing the Basel III framework into EU law. While Member States will have to transpose the CRD IV into national law, the CRR is directly applicable across the whole Union; the ECB will also implement this legislation within the Single Supervisory Mechanism.. In both cases, this legislation will become applicable as of 1 January 2014.
6)		Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17,FSF 2008)	<ul style="list-style-type: none"> • Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • Basel III (June 2011) – relevant references to counterparty credit risk standards 	Status of progress : Reform effective (completed) as of : June/July 2013 Short description of the content of the legislation/ regulation/guideline: Starting from 2014, the EU national supervisory authorities will be required to ensure that institutions have effective risk management that enable them to assess the counterparty risks of exposures at both individual and portfolio levels. Institutions will be required to establish and maintain a comprehensive and effective counterparty credit risk management framework and set internal credit and trading limits. Those requirements are specified in the legislative texts transposing Basel III requirements in the European banking legislation (the so-called “CRD	Expected commencement date: 1 January 2014 Web-links to relevant documents:

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				<p>IV/CRR”).</p> <p>Web-links to relevant documents: CRD IV: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32013L0036:EN:NOT CRR: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32013R0575:EN:NOT</p>	

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III. Securitisation					
5 (7) (8)	Improving the risk management of securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> implement IOSCO’s proposals to strengthen practices in securitisation markets. (FSB 2009) <p>The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010. (London)</p> <p>Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently. (Pittsburgh)</p>	<p>Jurisdictions should indicate the progress made in implementing the recommendations contained in:</p> <ul style="list-style-type: none"> IOSCO’s Report on Global Developments in Securitisation Regulation (Nov 2012) including justification for any exemptions to IOSCO requirements; and BCBS’s Basel 2.5 standards on exposures to securitisations (Jul 2009), http://www.bis.org/publ/bcbs157.pdf and http://www.bis.org/publ/bcbs158.pdf 	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : see below - this reform consists of a number of different elements</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The European Commission is undertaking a sectoral approach that imposes obligations on regulated institutions that invest in ABS, including credit institutions, insurance companies and funds. Accordingly, the EU rules affecting ABS are contained in various directives and legal frameworks directed at regulated investors in ABS. Details on the sectoral provisions: • In the Banking sector: The Capital Requirement Directive (CRD II) has been in effect since the end of 2010. The CRD requires</p>	<p>Planned actions (if any):</p> <p>The FSB expects to publish final recommendations in September 2013. It will thereafter work on the procedures for the consistent implementation of the policy recommendations at the G20 level. The Commission launched a three-month public consultation in Spring 2013 by publishing a green paper on long term financing. One focus of this consultation was to assist the European Commission determine what can be done to revive securitisation markets. The Commission is due to follow-up on the green paper and consultation before the end of 2013.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>that, when a regulated institution invests in ABS, the originator, the original lender or the sponsor must retain an economic interest of no less than 5% in the assets collateralizing the issuance of the ABS. The CRD defines “sponsor” as a credit institution other than an originator that establishes and manages an asset backed commercial paper program or other securitization scheme that purchases exposures from third-party entities. The CRD defines an “originator” as either (a) an entity which, either itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposure being securitized; or (b) an entity which purchases a third party’s exposures onto its balance sheet and then securitizes them. The new Directive also significantly increases the levels of capital that banks and investment firms must hold to cover their risks. • For traditional (UCITS) and alternative funds (AIFMD) The legal framework for Alternative Investment Fund Managers (AIFM), which will become effective in July 2013, provides conditions to be met by AIFM and collective investment</p>	

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				<p>companies when investing in securitization instruments, including the retention requirement applicable to originators and qualitative requirements. This legal framework will ensure consistency with the CRD. The changes to the Undertakings for Collective Investment in Transferable Securities Directives (UCITS) and AIFM Directives introduce the principle that investment managers should not rely solely and mechanically on external credit ratings. • For insurance companies The Solvency II Directive (article 135(2)) requires the Commission to adopt delegated act specifying requirements (i) that need to be met by the originator, in order for an insurer to be allowed to invest in such instruments issued after 1 January 2011, including requirements that ensure that the originator, the sponsor or the original lender, retains a net economic interest of not less than 5 per cent. (ii) qualitative requirements that must be met by insurer which invest in such instruments. The Solvency II directive was adopted in 2009 and its application date to (re)insurance undertakings is 1 January 2014. Negotiations are still pending on another Directive (Omnibus II) which</p>	

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				<p>aims to adapt Solvency II to the new European supervisory framework. • Credit Rating Agencies III Regulation to be adopted in the first half of 2013 With regard to issuers of structured finance instruments, CRA III requires: (1) the issuers of a structured finance instrument (or their related third parties) who solicit a rating to will be required to mandate two credit rating agencies, independent from each other, to issue two independent credit ratings in parallel on the same instrument; (2) issuers (or originators or sponsors) to disclose specific information on the underlying assets of structured finance products on an on-going basis through a centralized website operated by ESMA; and (3) a rotation rule for CRAs engaged by the issuers of a specific asset class: re-securitisations, which will require issuers of new re-securitisations from the same originator to change rating agency every four years. The new rules were published in the Official Journal of the European Union on 31 May 2013 and entered into force on 20 June 2013.</p> <p>Web-links to relevant documents: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD348.pdf</p>	

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				http://www.bis.org/publ/joint26.pdf http://ec.europa.eu/internal_market/bank/regcapital/index_en.htm http://ec.europa.eu/internal_market/investment/alternative_investments_en.htm http://ec.europa.eu/internal_market/insurance/index_en.htm http://ec.europa.eu/internal_market/securities/agencies/index_en.htm http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm	

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6 (9)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8 ,FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monolines.</p> <p>See, for reference, the following principles issued by IAIS:</p> <ul style="list-style-type: none"> • ICP 13 – Reinsurance and Other Forms of Risk Transfer • ICP 15 – Investments, and • ICP 17 - Capital Adequacy. <p>Jurisdictions may also refer to the IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008).</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p>Draft approved and in force / to be in force from / by : 1 January 2014</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Insurance The Solvency II framework directive introduces a risk-based supervisory regimes for all (re)insurance undertakings, including monoline insurers. Under this regime, companies will be subject to Capital Requirements calibrated as a 99.5% value at risk of own funds over a 1 year time horizon, calculated on each undertakings's true risk profile. The Capital Requirements cover life, non-life and health underwriting risk, market risks, counterparty default risk, and operational risk. For the purpose of calculating underwriting risk capital requirements,</p>	<p>Planned actions (if any):</p> <p>1/1/2014 The Solvency II directive was adopted in 2009 and its application date to (re)insurance undertakings is 1 January 2014. Negotiations are still pending on another Directive (Omnibus II) which primarily aims to adapt Solvency II to the new European supervisory framework and in particular, to the powers of EIOPA. The Commission has drafted the delegated acts. However these implementing measures will only be published when level 1 text will be final (agreement on Omnibus II).</p> <p>Expected commencement date:</p> <p>1 January 2014</p> <p>Web-links to relevant documents:</p>

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				<p>insurance obligations shall be properly segmented. Credit and suretyship insurance is one of the segments in the standard formula, for which specific risk factors are calibrated as a 99.5% value at risk of own funds over a 1 year time horizon. (Re)insurance undertakings, including monoline insurers, shall also be subject to governance requirements. In particular, undertakings "shall have in place an effective risk-management system comprising strategies, processes and reporting procedures necessary to identify, measure, monitor, manage and report, on a continuous basis the risks, at an individual and at an aggregated level, to which they are or could be exposed, and their interdependencies" (article 44 of directive 2009/138/EC)</p> <p>Web-links to relevant documents: http://ec.europa.eu/internal_market/insurance/solvency/index_en.htm</p>	

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7 (10)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18 ,FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for strengthening best practices for investment in structured product.</p> <p>See, for reference, the principles contained in IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009) and Suitability Requirements for Distribution of Complex Financial Products (Jan 2013).</p> <p>Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : see below - this reform consists of a number of different elements</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>See answers to questions and the details on risk retention requirements • In the banking sector The CRD III reinforced the capital requirements for the risks associated with securitisation transactions, particularly when these structures involve several levels of securitisation, and increased the support given to securitisation vehicles. These provisions were implemented in 2011. • For insurance companies EU legislation relating to the (re)insurance sector (Solvency II) introduces requirements on insurers' ability to invest in repackaged</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>see above - this reform consists of a number of different elements</p> <p>Web-links to relevant documents:</p>

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				<p>loans, which are consistent with those being introduced in the banking sector. Under these proposals, insurance and reinsurance undertakings investing in ABS will likely be subject to: (i) Capital Requirements for all types of investments calibrated as a 99.5% value at risk over a 1 year time horizon; (ii) Higher market risk capital requirements for re-securitization exposures, especially when only one or none external credit assessment is available (currently being discussed in the context of the draft implementing measures); (iii) A prudent person principle that limits insurance and reinsurance undertakings' investments to assets that they can properly identify, measure, monitor, manage, control and report. In particular, provisions are currently being discussed that will require insurance and reinsurance undertakings that invest in the securities to be allowed to make their decisions only after conducting comprehensive due diligence in the context of the Solvency II implementing measures; (iv) Important enhancements regarding how insurance and reinsurance undertakings should manage the risks of securitization positions (written monitoring procedures, specific reporting</p>	

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				<p>to management body...) that are currently being discussed in the context of the Solvency II implementing measures; and (v) In order to ensure transparency, requirements to publicly disclose information about any investments in repackaged loans.</p> <p>Web-links to relevant documents:</p>	

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8 (11)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for enhancing disclosure of securitised products.</p> <p>See, for reference, IOSCO’s Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012) that complements IOSCO’s Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p>Draft approved and in force / to be in force from / by : see below - this reform consists of a number of different elements</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <ul style="list-style-type: none"> • Credit rating agencies Credit Rating Agencies III Regulation entered into force on 20 June 2013 With regard to issuers of ABS, Article 8b of the CRA 3 regulation requires “the issuer, the originator and the sponsor of a structured finance instrument established in the Union to jointly disclose to the public information on the credit quality and performance of the underlying assets of the structured finance instrument, the structure of the securitisation transaction, the cash flows and any collateral 	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>see above - this reform consists of a number of different elements</p> <p>Web-links to relevant documents:</p>

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				<p>supporting a securitisation exposure as well as any information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures”. • Insurance sector The Solvency II Directive requires the Commission to adopt delegated acts specifying the information which must be disclosed by (re)insurance undertakings. The draft delegated acts developed by the Commission include qualitative and quantitative information on securitised products and their underlying assets above. • Market in Financial Instruments Directive In addition, new rules have been proposed by the European Commission and which are currently under negotiation by the EU legislators, under the review of the Market in Financial Instruments Directive, to introduce pre-trade and post-trade transparency requirements for trading in securitization products. • Initiatives from the central banks Strong initiatives aimed at increasing transparency and reinforcing the standardisation of disclosure. Public initiatives have been taken by central banks in the EU. See for instance the ECB and Bank of England initiatives on loan level information.</p>	

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				<p>Web-links to relevant documents: http://www.ecb.int/paym/coll/loanlevel/html/index.en.html</p>	

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IV. Enhancing supervision					
9 (12)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	<p>Jurisdictions should indicate the policy measures taken for implementing consistent, consolidated supervision and regulation of SIFIs.²</p> <p>See, for reference, the following documents:</p> <p>Joint Forum:</p> <ul style="list-style-type: none"> • Principles for the supervision of financial conglomerates (Sep 2012) <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Nov 2011) • Framework for D-SIBs (Oct 2012) • BCP 12 (Sep 2012) <p>IAIS:</p> <ul style="list-style-type: none"> • ICP 23 – Group wide supervision <p>FSB:</p> <ul style="list-style-type: none"> • Framework for addressing SIFIs (Nov 2011) 	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : June/July</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <ul style="list-style-type: none"> • Banking sector (G-SIB) As regards G-SIBs and D-SIBs, the CRDIV / CRR implement in the EU the BCBS’ assessment methodology of global systemically important banks and the related additional loss absorbency requirement as well as BCBS’ principles for dealing with domestic systemically important banks. • Insurance sector: The Solvency II Directive sets out enhanced and wide group supervision in relation to 	<p>Planned actions (if any):</p> <p>Solvency 2: The Solvency II directive was adopted in 2009 and its application date to (re)insurance undertakings is 1 January 2014. Negotiations are still pending on another Directive (Omnibus II) which primarily aims at adapting Solvency II to the new European supervisory framework and in particular, to the powers of EIOPA). The Commission has drafted the delegated acts. However these implementing measures will only be published when level 1 text will be final (agreement on Omnibus II).</p> <p>Expected commencement date:</p> <p>See above - this reform contains several elements</p> <p>Web-links to relevant documents:</p>

² The scope of the follow-up to this recommendation will be revised once the monitoring framework on policy measures for G-SIFIs, which is one of the designated priority areas under the CFIM, is established.

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				<p>all insurance groups. This covers quantitative requirements (calculation of the solvency at the level of the group), qualitative requirements (group governance and risk management) and enhanced market discipline (disclosure and reporting requirements). A group supervisor is responsible for group supervision and colleges should be set up to facilitate cooperation and exchange of information, both in going concern and in emergency situations. The Commission is actively participating in the discussions on the G SII framework in the FSB context • Financial conglomerate A supplementary prudential supervision was introduced by the Financial Conglomerate Directive (FICOD) on 20 November 2002. The Directive follows the Joint Forum’s principles on financial conglomerates of 1999. The first revision of FICOD (FICOD1) was adopted in November 2011 following the lessons learnt during the financial crisis of 2007-2009. FICOD1 amended the sector-specific directives to enable supervisors to perform consolidated banking supervision and insurance group supervision at the level of the ultimate parent entity, even where that entity is a mixed financial holding company. On top</p>	

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				<p>of that, FICOD1 revised the rules for the identification of conglomerates, introduced a transparency requirement for the legal and operational structures of groups, and brought alternative investment fund managers within the scope of supplementary supervision in the same way as asset management companies.</p> <p>Web-links to relevant documents: see previous references to CRD IV/CRR</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
10 (13)	Establishing supervisory colleges and conducting risk assessments	To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)	Reporting in this area should be undertaken solely by home jurisdictions of significant cross-border firms. Relevant jurisdictions should indicate the steps taken and status of establishing remaining supervisory colleges and conducting risk assessments.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i>	Planned actions (if any):
(14)		We agreed to conduct rigorous risk assessment on these firms through international supervisory colleges ...(Seoul)	See, for reference, the following documents: BCBS: <ul style="list-style-type: none"> • Good practice principles on supervisory colleges (Oct 2010) • Report and recommendations on cross-border bank resolution (Mar 2010) IOSCO: <ul style="list-style-type: none"> • Principles Regarding Cross-Border Supervisory Cooperation (May 2010) IAIS : <ul style="list-style-type: none"> • ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges • Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges 	Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : This reform consists of a number of different elements Short description of the content of the legislation/ regulation/guideline: <ul style="list-style-type: none"> • Banking sector: The Capital Requirement Directive (2006/48/EC) provides for the mandatory establishment of colleges of supervisors for cross-border banks. The Regulation establishing the European Banking Authority (Regulation 1093/2010) gives EBA a central role in promoting and monitoring colleges of supervisors. More than 80 supervisory colleges are established in the European Economic Area (EEA). All European Economic Area cross border banking groups had a college of supervisors in place by the end 	Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>of 2010. • Insurance sector: The Solvency II Directive envisages that Colleges are set out in relation to all insurance groups. The Regulation establishing the European Insurance and Occupational Pensions Authority (EIOPA) (Regulation 1094/2010 gives EIOPA a central role in promoting and monitoring colleges of supervisors. To date more than 90 colleges of supervisors have been established. • Market infrastructures (CCP) The EMIR Regulation (Regulation 648/2012) requests CCPs to establish colleges. The Regulation establishing the European Securities and Market Authority (ESMA) (Regulation 1095/2010 gives ESMA a central role in promoting and monitoring colleges of supervisors. ESMA is currently preparing for the work on colleges which will be established in 2013. The European Supervisory Authorities (ESAs, i.e. EBA, EIOPA, ESMA) ensure a consistent and coherent functioning of colleges across the Union, promote effective and efficient supervisory activities and have, under certain conditions, the power to bindingly settle disagreements between authorities. Furthermore, the ESAs initiate and coordinate EU-wide stress tests on the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>resilience of financial institutions. Guidelines on colleges of supervisors have been and still continue to be developed by the ESAs.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>11 (15)</p> <p>New</p>	<p>Supervisory exchange of information and coordination</p>	<p>To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)</p> <p>Enhance the effectiveness of core supervisory colleges. (FSB 2012)</p>	<p>Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the October 2006 Basel Core Principle (BCP) 25 (Home-host relationships) or, if more recent, the September 2012 BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.</p> <p>Jurisdictions should describe any regulatory, supervisory or legislative changes that will contribute to the sharing of supervisory information within core colleges (e.g. bilateral or multilateral MoUs).</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Draft approved and in force / to be in force from / by : see below - this reform consists of a number of different elements</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The European Supervisory Authorities (ESAs, i.e. EBA, EIOPA, ESMA) ensure a consistent and coherent functioning of colleges across the Union, promote effective and efficient supervisory activities and have, under certain conditions, the power to bindingly settle disagreements between authorities. Furthermore, the ESAs initiate and coordinate EU-wide stress tests on the resilience of financial institutions. Guidelines on colleges of supervisors have been and still continue to be</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>see above - this reform consists of a number of different elements</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>developed by the ESAs. The ESAs are also tasked to carry out peer reviews of the activities of supervisory authorities in the EU and make identified best practices publicly available. The ESAs can develop guidelines and recommendations on the basis of peer reviews.</p> <ul style="list-style-type: none"> • Insurance sector The Solvency II Directive requires the Commission to adopt delegated acts on Colleges, specifically on the systematic exchange of information between supervisors in the College. Guidelines on the functioning of College are being developed by EIOPA. • Banking The creation of a single supervisory mechanism (SSM) which will be responsible of supervision of all banks in the euro area and in participating Member States outside the euro area will supplement the monetary union by further strengthening supervisory consistency across the euro area. The legislative package on the SSM is expected to be adopted and enter into force by autumn 2013. It should become fully operational 12 months later. Furthermore, the ESAs will continue developing the single rulebook applicable to all 27 Member States and make sure that supervisory practices are consistent across the whole Union. EBA in particular will develop a 	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>single supervisory handbook • Market infrastructure The EMIR requires the establishment of colleges for CCPs. ESMA is currently preparing for the work on colleges which will be established in 2013</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (16)	Strengthening resources and effective supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)	Jurisdictions should provide any feedback received from recent FSAPs/ROSC assessments on the October 2006 BCPs 1 and 23 or, if more recent, the September 2012 BCPs 1, 9 and 11. Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : 1/1/11	Planned actions (if any): The legislative package on the new Single Supervisory Mechanism (SSM) is expected to be adopted and enter into force by autumn 2013. It should become fully operational 12 months later. . It constitutes a major step towards a fully-fledged Banking Union. It will be an essential element to address the negative feedback loops between banks and sovereigns. It will ensure that all banks in the euro area are subject to supervision of the highest quality. The ECB will take full responsibility for the operation of the Single Supervisory Mechanism. The ECB will directly supervise banks that have assets of more than EUR 30 billion or constitute at least 20% of their home country's GDP or which have requested or received direct public financial assistance. National supervisory authorities will remain in charge for direct supervision of less significant banks. However, the ECB will have the power to intervene directly whenever needed. Review of the ESFS in 2013. At the end of 2013 the Commission will present a report on the evaluation of the EFSF as a whole and the ESAs and the ESRB in particular. The review will also assess the resources and funding
(17)		Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)		Short description of the content of the legislation/ regulation/guideline: Since 2011 the European System of Financial Supervision with the three European Supervisory Authorities (ESAs) EBA, ESMA and EIOPA for micro-prudential supervision and the European Systemic Risk Board (ESRB) is in place. The ESAs have strong mandates and contribute to ensuring effective and consistent regulation and supervision across the Union. They initiate and coordinate Union-wide stress tests, can take swift action in case of an emergency situation and have the power to bindingly settle disagreements between national supervisors. The ESAs are independent.	
New		Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)	Jurisdictions should describe the outcomes of the most recent assessment of resource needs (e.g. net increase in supervisors, skills acquired and sought). Please indicate when this assessment was most recently conducted and when the next assessment is expected to be conducted.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Their chairpersons as well as the voting members of the main decision making bodies are bound by law to act independently and objectively in the sole interest of the Union and shall not take any instruction from the European or national level. The ESAs were successful in recruiting and retaining highly qualified and experienced staff. The total headcount for all three ESAs increased from about 90 in the beginning of 2011 to more than 280 at the end of 2012. The legislative package on the new Single Supervisory Mechanism (SSM) is expected to be adopted and enter into force by autumn 2013. It should become fully operational 12 months later. To complement this, on 10 July 2013, the European Commission also presented a proposal for a Single Resolution Mechanism (SRM) for countries participating in the SSM .</p> <p>Web-links to relevant documents:</p>	<p>provisions of the ESAs. At a later stage, legislative proposals might follow.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p> <p>http://ec.europa.eu/internal_market/consultations/2013/esfs/index_en.htm</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Building and implementing macroprudential frameworks and tools					
13 (18)	Establishing regulatory framework for macro-prudential oversight	Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks ³ and private pools of capital to limit the build up of systemic risk. (London)	Please describe the systems, methodologies and processes that have been put in place to identify macroprudential risks, including the analysis of risk transmission channels.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: ESRB assessment usually folloed by the ESRB recommendations Status of progress : Reform effective (completed) as of : see below - this reform consists of a number of different elements Short description of the content of the legislation/ regulation/guideline: Following the conclusion of the legislative process in autumn 2010, the responsibility of macro-prudential oversight has been entrusted to the European Systemic Risk Board (ESRB). In pursuing its macro-prudential mandate, the ESRB performs a number of key	Planned actions (if any): Review of the ESFS in 2013. By end 2013 the Commission will present a report on the evaluation of the EFSF as a whole and the ESAs and the ESRB in particular. At a later stage, legislative proposals might follow. Expected commencement date: Web-links to relevant documents: http://ec.europa.eu/internal_market/consultations/2013/esfs/index_en.htm
(19)		Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)	Please indicate whether an assessment has been conducted with respect to the powers to collect and share relevant information among different authorities – where this applies – on financial institutions, markets and instruments to assess the potential for systemic risk. Please indicate whether the assessment has indicated any gaps in the powers to collect information, and whether any follow-up actions have been taken.		

³ The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>activities, namely risk monitoring, risk assessment and, ultimately, if deemed appropriate, it adopts warnings and recommendations. Going forward, the ECB as single supervisor will also have some macro-prudential competences within the Single Supervisory Mechanism (SSM). In April 2009, the Commission adopted a proposal for a comprehensive legislative instrument establishing regulatory and supervisory standards for hedge funds, private equity and other systemically important market players. The identification and mitigation of macro-prudential risks arising from this sector is at the core of this proposal. The proposal is in line with the declaration of the G20, the IOSCO principles of Hedge Fund Oversight and the recommendations of the recent Joint Forum report on the Differentiated Nature and Scope of Financial Regulation. (Agreed by European Parliament and Council in November 2010). The ESRB Recommendation of 22 December 2011 on the macro-prudential mandate of national authorities initiated the setting-up of national macro-prudential authorities. The recently adopted Recommendation (April 2013) on intermediate objectives and instruments</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>of macro-prudential policies builds-up on the former one and propose a list of intermediate objectives of macro-prudential policies and a corresponding list of instruments that can be used by macro-prudential authorities to meet the intermediate objectives. The Recommendation gives an indicative list of instruments that national macro-prudential authorities can use to fulfil their mandate. - Recommendation of the ESRB of 22 December 2011 on the macro-prudential mandate of national authorities (ESRB/2011/3), OJ 2012/C 41/01. - Recommendation of the ESRB on intermediate objectives and instruments of macro-prudential policies (ESRB/2013/1), OJ 2013/C 170/01.</p> <p>Web-links to relevant documents: http://www.esrb.europa.eu/pub/recommendations/html/index.en.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (20)	Enhancing system-wide monitoring and the use of macro-prudential instruments	<p>Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level...(Rec. 3.1, FSF 2009)</p> <p>We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)</p>	<p>Please describe major changes in the institutional arrangements for macroprudential policy that have taken place in the past two years, including changes in: i) mandates and objectives; ii) powers and instruments; iii) transparency and accountability arrangements; iv) composition and independence of the decision-making body; and v) mechanisms for domestic policy coordination and consistency.</p> <p>Please indicate the use of macroprudential tools in the past two years, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the CGFS document on Operationalising the selection and application of macroprudential instruments (Dec 2012).</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>ESRB assessment usually followed by the ESRB recommendations</p> <p>Status of progress :</p> <p>Reform effective (completed) as of : ssee below - this reform consists of a number of different elements</p> <p>Short description of the content of the legislation/ regulation/guideline:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
(21)		<p>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>Jurisdictions can also refer to the FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011), and the IMF paper on Macroprudential policy, an organizing framework (Mar 2011).</p>	<p>The Recommendation of the ESRB on intermediate objectives and instruments of macro-prudential policies calls on national macro-prudential authorities to identify interim objectives and prepare appropriate instruments for conducting macro-prudential policy. An indicative list of objectives and tools is provided. The recommendation remains without prejudice to the provisions of the CRDIV/CRR. The CRR/CRD IV provides a common set of macro-</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>prudential instruments that can be used, under certain conditions, also by national authorities. These include countercyclical capital and systemic risk buffers; sectorial capital requirements; large exposure restrictions; SIFI capital surcharges and increased disclosure. Five intermediate objectives for macro-prudential policy have been identified under the Recommendation: i) Mitigate and prevent excessive credit growth and leverage; ii) Mitigate and prevent excessive maturity mismatch and market illiquidity iii) Limit direct and indirect exposure concentrations; iv) Limit the systemic impact of misaligned incentives with a view to reducing moral hazard ('too big to fail'); v) Strengthen the resilience of financial infrastructures.</p> <p>Web-links to relevant documents: see previous link of ESRB recommendations</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15 (22)	Improved cooperation between supervisors and central banks	Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain. (Rec. V.8 , FSF 2008)	<p>Jurisdictions can make reference to the following BCBS documents:</p> <ul style="list-style-type: none"> • Report and recommendations of the Cross-border Bank Resolution Group (Mar 2010) • Good Practice Principles on Supervisory Colleges (Oct 2010) (Principles 2, 3 and 4 in particular) 	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p>Draft published as of : 6/6/12 & 10/7/13</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Possible under Capital Requirements Directive and Financial Conglomerates Directive (2002) and Insurance Groups Directive (1998) • Existing arrangements in the CRD Member States have already been required to remove obstacles preventing supervisory authorities from transmitting information to central banks when the information is relevant for the exercise of their respective statutory tasks, including the conduct of monetary policy and related liquidity provision, oversight of payments, clearing and settlement systems, and the safeguarding of stability of the financial system. Member States are also required to take the necessary measures to ensure that, in an emergency situation, the supervisory</p>	<p>Planned actions (if any):</p> <p>The BRD text is now under negotiation with the other EU legislators and should be adopted by the end of 2013. The SRM proposal will be discussed by the EU Council of Ministers and European Parliament with a view to reaching agreement in the Council by the end of the year so that it can be adopted before the end of the current parliamentary term, in line with the indications timeline set by the June European Council.</p> <p>Expected commencement date:</p> <p>1 January 2014 (CRD4)</p> <p>Web-links to relevant documents:</p> <p>http://www.europarl.europa.eu/sides/getDoc.do?pubRef=%2f%2fEP%2f%2fTEXT%2bTA%2b20130416%2bTOC%2bDOC%2bXML%2bV0%2f%2fEN&language=EN On bank recovery and resolution</p> <p>http://ec.europa.eu/internal_market/bank/crisis_management/index_en.htm</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>authorities communicate, without delay, information to the central banks where that information is relevant for the exercise of their statutory tasks, including the conduct of monetary policy and related liquidity provision, the oversight of payments, clearing and settlement systems, and the safeguarding of the stability of the financial system. • Elements in the Bank recovery and resolution directive The Commission’s proposal of 6 June 2012 for a recovery and resolution framework integrates the BCBS recommendations and the subsequent FSB Key Attributes for Effective Resolution Regimes as regards banks and investment firms. The EU Council of Ministers reached agreement on the BRRD in June 2013. To complement this, on 10 July 2013, the European Commission presented a proposal for a Single Resolution Mechanism (SRM) for countries participating in the Single Supervisory Mechanism.</p> <p>Web-links to relevant documents: See previous links to CRD IV/CRR http://ec.europa.eu/internal_market/bank/crisis_management/index_en.htm http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52013PC0520:EN:NOT</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Improving oversight of credit rating agencies (CRAs)					
16 (23)	Enhancing regulation and supervision of CRAs	All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs. They should also indicate its consistency with the following IOSCO document:	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i>	Planned actions (if any): Implementation of the new rules by ESMA, including development of four technical standards and four guidelines. Commission is required to report, after technical advice by ESMA, to the European Parliament and the Council on a wide range of topics: By end 2013 on feasibility of a network of small and medium-sized credit rating agencies By 31 December 2014 on feasibility of European credit rating agency By 1 July 2015 on market situation in view of provisions on structured finance instruments and rotation Equivalence assessments on-going for multiple jurisdictions by ESMA.
(24)		National authorities will enforce compliance and require changes to a rating agency’s practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.	They should also indicate its consistency with the following IOSCO document: <ul style="list-style-type: none">• Code of Conduct Fundamentals for Credit Rating Agencies (May 2008)	Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify:	
(25)		CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process. The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)	Jurisdictions may also refer to the following IOSCO documents: <ul style="list-style-type: none">• Principle 22 of Principles and Objectives of Securities Regulation (Jun 2010) which calls for registration and oversight programs for CRAs;• Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003); and• Credit Rating Agencies: Internal Controls Designed to Ensure the Integrity of the Credit Rating Process and Procedures to Manage Conflicts of Interest (Dec 2012).	Status of progress : Reform effective (completed) as of : Regulation 1060/2009 effective as of 1 January 2010, Regulation 513/2011 effective as from 1 July 2011, CRA III Regulation effective as from 20 June 2013	Expected commencement date:
		Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)		Short description of the content of the legislation/ regulation/guideline: Regulation 1060/2009 is amended to attribute centralised supervision of rating agencies to the European Securities and Markets Authority (ESMA) which has full regulatory oversight which is in force since 1st of July 2011(Regulation 513/2011). Regulation 1060/2009 ensuring registration and authorisation of rating agencies and addressing conflicts of interests, transparency of rating methodologies, publication of track	Web-links to relevant documents: http://ec.europa.eu/internal_market/securities/agencies/index_en.htm http://eurlex.europa.eu/JOHtml.do?uri=OJ:L:2009:302:SOM:EN:HTML

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>record of ratings. A new amendment of the CRA regulation strengthening further the rules was agreed by the co-legislators in November 2012. The new rules were published in the Official Journal of the European Union on 31 May 2013 and entered into force on 20 June 2013. .</p> <p>Main improvements of the amendment relate to: - reducing reliance on external credit ratings (see next point) - strengthening transparency of sovereign ratings including: (1) indicative calendar for sovereign ratings, (2) disclosure of full research report of sovereign ratings - conflicts of interests: introduction of shareholder limitations: limitations on holding shares in two CRAs at the same time, and limitations of CRAs to rate instruments issued by shareholders, -civil liability regime: investors and issuers will be enable to engage in civil claims in case of gross negligence and intentional violation of the CRA regulation by rating agencies -competition: European Rating Platform which will disclose centrally on a website by ESMA all available ratings by registered and certified CRAs, requirement on a comply or explain basis to use small CRA in case an issuer employs multiple rating agencies. - enhanced transparency on structured finance instruments and rotation for re-securitisations. Third Country regime</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>foreseen in Regulation 1060/2009, allowing for endorsement of third country ratings and equivalence of third country regimes. Equivalence Decision on regulatory frameworks of US, Canada and Australia adopted in October 2012 and Japan in September 2013.</p> <p>Web-links to relevant documents:</p> <p>http://ec.europa.eu/internal_market/rating-agencies/index_en.htm</p> <p>http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:145:0030:0056:EN:PDF</p> <p>http://ec.europa.eu/internal_market/rating-agencies/index_en.htm</p> <p>http://eurlex.europa.eu/JOHtml.do?uri=OJ:L:2009:302:SOM:EN:HTML</p> <p>http://ec.europa.eu/internal_market/rating-agencies/index_en.htm</p> <p>http://eurlex.europa.eu/JOHtml.do?uri=OJ:L:2009:302:SOM:EN:HTML</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (26)	Reducing the reliance on ratings	<p>We also endorsed the FSB’s principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)</p> <p>Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)</p> <p>We reaffirm our commitment to reduce authorities’ and financial institutions’ reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)</p>	No information on this recommendation will be collected in the current IMN survey since a thematic peer review is taking place in this area during 2013.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing and aligning accounting standards					
18 (27)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)	Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are deemed to be equivalent to IFRSs as published by the IASB. They should also explain the system they have for enforcement of consistent application of those standards.	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : 1st January 2005</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The EU adopted in 2002 a regulation to adopt IFRS. Since January 2005, the IFRS are mandatory for the consolidated accounts of listed companies. Enforcement of IFRS is done by National Market Authority and coordinate by the European Securities and Markets Authority (ESMA).</p> <p>Web-links to relevant documents:</p> <p>http://ec.europa.eu/internal_market/accounting/ias/index_en.htm</p>	<p>Planned actions (if any):</p> <p>The EU expects to endorse the new standards, amendments or interpretation provided by the IASB.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>19 (28)</p> <p>(29)</p>	<p>Appropriate application of Fair Value Accounting</p>	<p>Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009)</p> <p>Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)</p>	<p>Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> • Basel 2.5 standards on prudent valuation (Jul 2009) • Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009) 	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p>Reform effective (completed) as of : 1st January 2013</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The EU endorsed IFRS 13 in 2012. This standard has been in force in Europe since the 1st January 2013. The European Banking Authority (EBA) is also working on a Regulatory Technical Standard on “Prudential Valuation”. This technical standard should add prudential requirements to the accounting fair value measurement for prudential calculation. The European Commission will consider the endorsement of IFRS 9, included the new requirement on hedging, when the IASB will have completed its work on this project.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>The EBA published a draft Regulatory Technical Standard for consultation on 10 July 2013. The consultation is open until October 2013.</p> <p>Expected commencement date:</p> <p>In the course of 2013.</p> <p>Web-links to relevant documents:</p> <p>http://www.eba.europa.eu/Publications/Discussion-Papers/Year/2012/EBA-DP-2012-3.aspx</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:360:0078:0144:EN:PDF	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Enhancing risk management					
20 (31)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. See, for reference, the Joint Forum's Principles for the supervision of financial conglomerates (Sep 2012) and the following BCBS documents:	Implementation ongoing or completed <i>If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification:</i>	Planned actions (if any): The next EU-wide bank stress test will also be carried out by the EBA in 2014, once it has completed Asset Quality Reviews.
(33)		National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)	<ul style="list-style-type: none"> • Principles for effective risk data aggregation and risk reporting (Jan 2013) • The Liquidity Coverage Ratio (LCR) (Jan 2013) • Principles for the sound management of operational risk (Jun 2011) • Principles for sound stress testing practices and supervision (May 2009) 	Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : June/July 2013	Expected commencement date:
(34)		Regulators and supervisors in emerging markets ⁴ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions may also refer to FSB's February 2013 thematic peer review report on risk governance .	Short description of the content of the legislation/ regulation/guideline: CRD IV strengthens the requirements regarding risk management practices and structures of credit institutions putting in place clear rules and standards with regard to the role and independence of the risk management function and the overall risk oversight by boards. These rules are in line with the revised Basel Principles for enhanced corporate governance. Under the so-called Pillar 2 approach, the national supervisory authorities are required to review the arrangements, strategies, processes and mechanisms	Web-links to relevant documents:
(35)		We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)			

⁴ Only the emerging market jurisdictions may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>implemented by the institutions and ensure that their risk management frameworks provide a sound management and coverage of their risks. If not, the supervisory authorities are allowed to impose supervisory measures on non-compliant institution. Early in 2012, the European Systemic Risk Board (ESRB) published a recommendation on US dollar-denominated funding of banks addressed to the national supervisory authorities of the EU Member States (Document reference: ESRB/2011/2). The ESRB recommends that the supervisory authorities intensify their monitoring action to prevent EU credit institutions from accumulating future excessive funding risks in US dollars. The ESRB also recommends that national supervisory authorities ensure that EU banks include management actions in their contingency funding plans for handling a shock in US dollar funding. The EU-wide stress tests have been conducted by the European Banking Authority (or by its predecessor body, CEBS) since 2009. Regulation (EU) No 1093/2010, establishing EBA, empowers EBA, in cooperation with the European Systemic Risk Board, to initiate and coordinate EU-wide stress tests to assess the resilience of financial institutions to adverse market developments and, where</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>appropriate, to issue recommendations to national supervisory authorities to correct issues identified in the stress test. The most recent exercise (the so-called recapitalisation exercise) was conducted in 2012, covering 71 large European banks. It led to an increase in bank capital positions of more than €200 billion.</p> <p>Web-links to relevant documents: See previous links to CRDIV/CRR http://www.esrb.europa.eu/recommendations/html/index.en.html Regulation establishing EBA: http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:331:0012:0047:EN:PDF EBA report on the outcome of 2012 recapitalisation exercise: http://www.eba.europa.eu/capitalexercise2012/Finalreportrecapitalisationexercise.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (36)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed. (Pittsburgh)	Jurisdictions should indicate steps taken to reduce impaired assets and encourage additional capital raising. For example, jurisdictions could include here the amount of new equity raised by banks operating in their jurisdictions during 2012.	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>see below</p> <p>Status of progress :</p> <p>Reform effective (completed) as of : ongoing actions - see below</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The European Banking Authority (EBA) has recently issued a Recommendation on capital preservation addressed to supervisory authorities across the EU, which aims to preserve the enhanced capital base that banks built up in response to EBA's 2011/12 recapitalisation Recommendation. The EBA will also ask supervisors to conduct asset quality reviews (AQRs) on major banks. The European Central Bank will carry out such AQRs for banks covered by the Single Supervisory Mechanism. The next EU-wide bank stress test will also be carried out by the EBA in 2014,</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				once the AQRs are completed. Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
22 (37)	Enhanced risk disclosures by financial institutions	Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)	Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on Enhancing the Risk Disclosures of Banks .	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : 1st January 2013</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The EU endorsed IFRS 13 and the amendments done on IFRS 7.</p> <p>Web-links to relevant documents:</p> <p>http://ec.europa.eu/internal_market/accounting/ias/index_en.htm</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p> <p>http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:360:0078:0144:EN:PDF</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Strengthening deposit insurance					
23 (38)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the recommendations of the FSB's February 2012 thematic peer review report on deposit insurance systems .	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Draft published as of : 12/07/10</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The proposed legislation on Deposit Guarantee Schemes (DGS) is to maintain the harmonised level of coverage (€100 000) and harmonise the scope of coverage (i.e. specify depositors and products being eligible or ineligible for DGS protection); reduce the payout deadline from 4 weeks to 7 days; strengthen the financing of DGS by introducing a principle of ex-ante financing with a specified target fund level; allow for the partial use of DGS funds for early intervention and bank resolution (transfer of deposits); introduce an obligation to apply risk-based contributions in Member States.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Finalising negotiations on DGS and reaching a compromise by co-legislators (Council and Parliament).</p> <p>Expected commencement date:</p> <p>Around summer 2013</p> <p>Web-links to relevant documents:</p> <p>Commission proposal on DGS http://ec.europa.eu/internal_market/bank/guarantee/index_en.htm Council General Approach on DGS (June 2011) http://register.consilium.europa.eu/pdf/en/11/st11/st11359.en11.pdf Legislative resolution on DGS adopted by the European Parliament (February 2012) http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0049+0+DOC+XML+V0//EN&language=EN</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Safeguarding the integrity and efficiency of financial markets					
24 (39)	Enhancing market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)	<p>Jurisdictions should indicate the progress made in implementing the following IOSCO reports:</p> <ul style="list-style-type: none"> • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011); and • Report on Principles for Dark Liquidity (May 2011). 	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p>Draft published as of : 20/10/2011</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The European Commission adopted a proposal for a review of the Markets in Financial Instruments Directive (commonly called MiFID II) and a review of the Market Abuse Directive in October 2011. The new MiFID will introduce specific requirements on HFT. The new MAR (Market Abuse Regulation) will cover all trading venues regulated by MiFID II.</p> <p>Web-links to relevant documents:</p> <p>Review of MiFID http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm Regulation on</p>	<p>Planned actions (if any):</p> <p>The on-going negotiations on both pieces of legislation are expected to be finalised by end-2013.</p> <p>Expected commencement date:</p> <p>tbc</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Market Abuse http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0651:FIN:EN:PDF Directive on Criminal Sanctions for Market Abuse http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0654:FIN:EN:PDF	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
25 (40)	Enhanced market transparency in commodity markets	We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)	<p>Jurisdictions should indicate the policy measures taken to enhance market transparency in commodity markets.</p> <p>See, for reference, IOSCO’s report on Principles for the Regulation and Supervision of Commodity Derivatives Markets (Sep 2011).</p> <p>Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the report published by the IOSCO’s Committee on Commodity Futures Markets based on a survey conducted amongst its members in April 2012 on regulation in commodity derivatives market.</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Draft published as of : 20 October 2011</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The new MiFID will introduce specific requirements on commodity derivatives markets, including registration of market participants and transparency requirements, and seeks to address ISOCO’s recommendation on position management through position limits or position management. The new MAR will increase the transparency and the integrity of the derivatives and the commodity derivatives markets including OTC transactions.</p> <p>Web-links to relevant documents:</p> <p>Review of MiFID http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm Regulation on</p>	<p>Planned actions (if any):</p> <p>The on-going negotiations are expected to be finalised by end-2013.</p> <p>Expected commencement date:</p> <p>tbc</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Market Abuse http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0651:FIN:EN:PDF Directive on Criminal Sanctions for Market Abuse http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0654:FIN:EN:PDF	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
26 New	Legal Entity Identifier	<p>We support the creation of a global legal entity identified (LEI) which uniquely identifies parties to financial transactions. (Cannes)</p> <p>We encourage global adoption of the LEI to support authorities and market participants in identifying and managing financial risks. (Los Cabos)</p>	Jurisdictions should indicate whether they have joined Regulatory Oversight Committee (ROC) and whether they intend setting up Local Operating Unit (LOU) in their jurisdiction.	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : March 2013</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>European Commission, ECB, ESMA are members of the LEI ROC, alongside numerous authorities from Member States (UK, DE, FR, ES, IT, LUX, PL, IE, BE, etc.). Concerning the setting up of Local Operating Units, there will be no formal selection process at EU level, as LOUs will be recognised by the LEI COU. It is envisaged that numbering authorities and business registers will consider whether they could take up the role of LOUs. Other interested entities could also take up the role of LOUs. Use of the LEI is mandated for reporting on derivatives (technical standards implementing the EMIR regulation).</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
XI. Enhancing financial consumer protection					
27 (41)	Enhancing financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)	Jurisdictions should describe progress toward implementation of the OECD's G-20 high-level principles on financial consumer protection (Oct 2011) .	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p>Draft published as of : see below - reforms contains several elements</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <ul style="list-style-type: none"> • MIFID As far as the provision of investment services to retail clients is concerned, the current regulatory framework is broadly in line with the high level principles prepared by the OECD. Rules on the protection of investors are included in Directive 2004/39/EC (MiFID) and its implementing measures. They cover the provision of investment advice and other investment services. In line with the OECD principles, they include information requirements, suitability obligations and other conduct of business rules as well as organisational 	<p>Planned actions (if any): see above</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>requirements for investment firms and credit institutions providing the services (including conflicts of interest requirements). With the review of MiFID published on 20 October 2011 we are broadening the scope of the directive to entities and products previously not covered and further strengthening the existing framework. The legislative process is on-going in the European Parliament and in the Council of the EU. The on-going negotiations are expected to be finalised by end-2013.</p> <ul style="list-style-type: none"> • Packaged Retail investment products (PRIPs) The workstream on Packaged Retail investment products (PRIPs) will further deliver on investor protection by introducing the obligation to provide a clear, short and standardised key investor information document to explain the characteristics and the risk of every investment product. • Revision of the Insurance Mediation Directive (IMD) The financial crisis has revealed serious shortcomings in the area of financial consumer protection. The proposal upgrades consumer protection in the area of insurance mediation by addressing insufficient transparency, low awareness of risks and poor handling of conflicts of interest. The IMD is the only EU legislation which regulates the rights of the consumer at the point of sale of 	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>insurance products. Its revision will stay a minimum harmonisation instrument containing high level principles. The revision of the IMD also aims at establishing a level playing field between the sales of insurance products through insurance intermediaries and those sold by insurance undertakings or other market players (e.g. car rental companies) to ensure that similar rules are applied for all sales of insurance products. The Proposal is at discussion stage between the co-legislators (Council and Parliament) The Mortgage Credit Directive: This Directive has two objectives: (1) to create a single market for mortgage credit with a high level of consumer protections and (2) to promote financial stability by ensuring that creditors, intermediaries and borrowers act in a responsible manner to prevent overindebtedness, defaults and foreclosures. The Directive regulates three main aspects: (1) conduct of business rules and protection of consumers in relation to advertising and marketing materials; pre-contractual information; creditworthiness assessments, and early repayment; (2) post-contractual measures, i.e. reflection period or right of withdrawal for borrowers; (3) establishing a legal framework to ensure that all actors</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>involved in the origination and distribution of mortgage credit are appropriately regulated (e.g. credit intermediaries, non-banks) and that their staff respond to concrete performance quality standards, and introducing a passport for credit intermediaries. The Proposal is at final discussion stage between the co-legislators (Council and Parliament) and expected to be adopted by summer 2013. Bank account package: This proposal for a Directive aims to improve the transparency and comparability of fee information relating to payment accounts, facilitate switching between payment accounts, eliminate discrimination based on residency with respect to payment accounts and provide access to a payment account with basic features within the EU. It is expected to be adopted by the European Commission in May 2013</p> <p>Web-links to relevant documents:</p> <p>Current MiFID http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2004L0039:20110104:EN:PDF Review of MiFID http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm http://ec.europa.eu/internal_market/finances-retail/investment_products_en.htm</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Insurance Mediation Directive http://ec.europa.eu/internal_market/insurance/mediation_en.htm Retail consumers http://ec.europa.eu/internal_market/financial-services-retail/credit/mortgage_en.htm http://ec.europa.eu/internal_market/consultations/2012/bank_accounts_en.htm	

XII. Source of recommendations:

[Los Cabos: The G20 Leaders Declaration \(18-19 June 2012\)](#)

[Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)

[Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)

[Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)

[Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)

[London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)

[Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)

[FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)

[FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)

[FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)

[FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)

XIII. List of Abbreviations used:

- ABS – Asset- backed Securities
- AIFMD – Alternative Investment Fund Managers Directive
- BCBS – Basel Committee on Banking Supervision
- BIS – Bank for International Settlements
- BRRD – Bank Recovery and Resolution Directive
- CRA – Credit Rating Agencies
- CRD/R - Capital Requirements Directive/ Regulation
- D-SIB – Domestic systemically important banks
- EBA - European Banking Authority
- EIOPA – European Insurance and Occupational Pensions Authority
- EMIR – European Market Infrastructure Regulation
- ESA – European Supervisory Authorities (i.e. EBA, EIOPA, ESMA)
- ESMA – European Securities and Markets Authority
- ESRBS – European Systemic Risk Board
- FICOD – Financial Conglomerate Directive
- G-SIB - Global systemically important banks
- IAIS – International Association of Insurance Supervisors
- IASB – International Accounting Standards Board
- IMD – Insurance Mediation Directive
- LEI – Legal Entity Identifier
- LEI COU/ ROC - Legal Identifier System Central Operating Unit / Regulatory Oversight Committee
- MAR – Market Abuse Regulation
- MIFID II – Markets in Financial Instruments Directive
- Omnibus II – Directive amending the powers of the European Insurance and Occupational Pensions Authority and of the European Securities and Markets Authority
- OTC – Over-the-Counter
- PRIP – Packaged Retail Investment Products
- SIFI- Systemically important financial institution
- Solvency II - Solvency II Framework Directive I the taking-up and pursuit of the business of insurance and re-insurance
- SSM – Single Supervisory Mechanism
- UCITS – Undertakings for Collective Investment in Transferable Securities