

Jurisdiction : Spain

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

- I. [Refining the regulatory perimeter](#)
- II. [Hedge funds](#)
- III. [Securitisation](#)
- IV. [Enhancing supervision](#)
- V. [Building and implementing macroprudential frameworks and tools](#)
- VI. [Improving oversight of credit rating agencies \(CRAs\)](#)
- VII. [Enhancing and aligning accounting standards](#)
- VIII. [Enhancing risk management](#)
- IX. [Strengthening deposit insurance](#)
- X. [Safeguarding the integrity and efficiency of financial markets](#)
- XI. [Enhancing financial consumer protection](#)
- XII. [Reference to source of recommendations](#)
- XIII. [List of Abbreviations](#)

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>I. Refining the regulatory perimeter</b>					
1 (2)	Review of the boundaries of the regulatory framework including strengthening of oversight of shadow banking	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level. (London)	Jurisdictions should indicate the steps taken to expand the domestic regulatory framework to previously unregulated entities, for example, non-bank financial institutions (e.g. finance companies, mortgage insurance companies, credit hedge funds) and conduits/SIVs etc.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <b>Issue is being addressed through :</b> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <b>Status of progress :</b> [No response] <b>Short description of the content of the legislation/ regulation/guideline:</b> The Spanish regulation is already wide in its perimeter. Spanish authorities are in addition participating in international (FSB) and European projects to strengthen the regulation and oversight of the shadow banking system.  <b>Web-links to relevant documents:</b>	<b>Planned actions (if any):</b> See European Commission answers  <b>Expected commencement date:</b>  <b>Web-links to relevant documents:</b>
(1)		We agree to strengthen the regulation and oversight of the shadow banking system. <sup>1</sup> (Cannes)	Jurisdictions should indicate policy measures to strengthen the regulation and oversight of the shadow banking system. See, for reference, the recommendations discussed in section 2 of the October 2011 FSB report: <a href="#">Shadow Banking: Strengthening Oversight and Regulation.</a>		

<sup>1</sup> This recommendation will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

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<b>II. Hedge funds</b>					
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 <a href="#">Report on Hedge Fund Oversight (Jun 2009)</a> 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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : April 2007</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Fully implemented as for domestic hedge funds regards. While the level of hedge fund activity in Spain is rather low, implemented regulation in Spain on Hedge Funds already requires mandatory registration of both managers and hedge funds themselves. Hedge funds managers are required to disclose information on an ongoing basis to the National Securities Market Commission. Risk management procedures are disclosed to the CNMV at the outset of the project and on an ongoing basis when material changes occur. Moreover, information on</p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers Adaptation to the Directive 61/2011/UE on Alternative Investment Funds Managers (AIFM) and to the L2 regulations underway. Delegated Regulation 231/2013 supplementing Directive 2011/61/EU with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision will be effective as of July 2013</p> <p><b>Expected commencement date:</b></p> <p>June 2013 as regards Directive 61/2011 and July 2013 as regards the Delegated Regulation 231/2013</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://ec.europa.eu/internal_market/investment/alternative_investments/index_en.htm">http://ec.europa.eu/internal_market/investment/alternative_investments/index_en.htm</a></p>

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				<p>leverage is disclosed to the CNMV on a regular basis. These institutions and their risk management systems are subject to oversight by the regulator periodically. Furthermore, Spanish authorities are actively participating in the new EU regulation on hedge funds.</p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.cnmv.es/DocPortal/legislacion/circulares/1_2006_e.pdf">http://www.cnmv.es/DocPortal/legislacion/circulares/1_2006_e.pdf</a></p>	

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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 <a href="#">Report on Hedge Fund Oversight (Jun 2009)</a> 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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : May 2002</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>The CNMV is signatory of the IOSCO Multilateral MoU on cooperation and exchange of information and is currently participating in the drafting of a new MoU on supervisory cooperation among IOSCO members.</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.iosco.org/library/index.cfm?action=mou_main">http://www.iosco.org/library/index.cfm?action=mou_main</a></p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers Within the EU, Directive 61/2011/UE on Alternative Investment Funds Managers (AIFM) contains specific provisions</p> <p><b>Expected commencement date:</b></p> <p>June 2013</p> <p><b>Web-links to relevant documents:</b></p>

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<p>4 (5)</p> <p>6)</p>	<p>Enhancing counterparty risk management</p>	<p>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)</p> <p>Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17,FSF 2008)</p>	<p>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.</p> <p>See, for reference, the following BCBS documents :</p> <ul style="list-style-type: none"> <li>• <a href="#">Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999)</a></li> <li>• <a href="#">Banks' Interactions with Highly Leveraged Institutions (Jan 1999)</a></li> <li>• <a href="#">Basel III (June 2011) – relevant references to counterparty credit risk standards</a></li> </ul>	<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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : May 2002</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Spanish regulation for funds of hedge funds requires effective risk management. Regarding the insurance sector, for the moment the principles established for the regulation requiring the insurer (Board) to monitor and assess the investment policy need to be followed. (At present, limitations on this type of investments in the case of representative assets when dealing with the technical provisions).</p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers Solvency II implementation shall entail the application of detailed rules in relation with the effective risk management in this type of situations</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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<b>III. Securitisation</b>					
5 (7)	Improving the risk management of securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> <li>implement IOSCO’s proposals to strengthen practices in securitisation markets. (FSB 2009)</li> </ul>	<p>Jurisdictions should indicate the progress made in implementing the recommendations contained in:</p> <ul style="list-style-type: none"> <li>IOSCO’s <a href="#">Report on Global Developments in Securitisation Regulation (Nov 2012)</a> including justification for any exemptions to IOSCO requirements; and</li> </ul>	<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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : 31.12.2011</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>National legislation transposed, among others, European Directive 2009/111/EC with regards to due diligence and quantitative retention requirements in securitization markets. Spanish securities regulation, as adapted to EU legislation, already complies with IOSCO’s recommendations.</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.bde.es/webbde/es/secciones/normativa/circu/c-4-2011.pdf">http://www.bde.es/webbde/es/secciones/normativa/circu/c-4-2011.pdf</a></p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>
8)		<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>	<ul style="list-style-type: none"> <li>BCBS’s Basel 2.5 standards on exposures to securitisations (Jul 2009), <a href="http://www.bis.org/publ/bcbs157.pdf">http://www.bis.org/publ/bcbs157.pdf</a> and <a href="http://www.bis.org/publ/bcbs158.pdf">http://www.bis.org/publ/bcbs158.pdf</a></li> </ul>		

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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"> <li>• <a href="#">ICP 13</a> – Reinsurance and Other Forms of Risk Transfer</li> <li>• <a href="#">ICP 15</a> – Investments, and</li> <li>• <a href="#">ICP 17</a> - Capital Adequacy.</li> </ul> <p>Jurisdictions may also refer to the IAIS <a href="#">Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008)</a>.</p>	<p>Not applicable</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Please take into account that Spain can’t be considered as a market with monolines operators at this moment.</p> <p><b>Issue is being addressed through :</b></p> <p><input 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><b>Status of progress :</b></p> <p>[No response]</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></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 <a href="#">Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009)</a> and <a href="#">Suitability Requirements for Distribution of Complex Financial Products (Jan 2013)</a>.</p> <p>Jurisdictions may also refer to the Joint Forum report on <a href="#">Credit Risk Transfer-Developments from 2005-2007 (Jul 2008)</a>.</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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : Dec 2009 – March 2013</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Royal Decree-Law 24/2012 (in force from August 2012): Thirteenth additional provision and Third final provision of this royal decree-law establish a new aggravated regime for the marketing of complex financial products to retail clients. For the marketing to retail clients of subordinated debt instruments, the existence of a tranche directed to professional investors is required. For the marketing of complex products deemed not suitable to a retail client, a warning and his hand-written consent are required. Apart from that, Spanish rules on investment firms and investment funds</p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				<p>put special focus on strengthening the requirements and risk control systems (which also includes structured and complex products). Spanish securities regulation, as adapted to EU legislation, already complies with IOSCO's recommendations. Insurance sector: Rules in relation with the investment policy in the case of structured products completed with particular rules when dealing with this type of investments in the case of representative assets for technical provisions (Reglamento de Ordenación de los Seguros Privados, Orden EHA/339/2007, de 16 de febrero, por la que se desarrollan determinados preceptos de la normativa reguladora de los seguros privados).</p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.cnmv.es/DocPortal/legislacion/circulares/Circular_6_2009.pdf">http://www.cnmv.es/DocPortal/legislacion/circulares/Circular_6_2009.pdf</a>  <a href="http://www.boe.es/boe/dias/2013/03/23/pdfs/BOE-A-2013-3199.pdf">http://www.boe.es/boe/dias/2013/03/23/pdfs/BOE-A-2013-3199.pdf</a>  <a href="http://www.dgsfp.mineco.es/sector/Legislacion/ordenacionysupervision.asp">http://www.dgsfp.mineco.es/sector/Legislacion/ordenacionysupervision.asp</a></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 <a href="#">Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012)</a> that complements IOSCO's <a href="#">Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010)</a>.</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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of :</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Spanish securities regulation, as adapted to EU legislation, already complies with IOSCO's recommendations.</p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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<b>IV. Enhancing supervision</b>					
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.<sup>2</sup></p> <p>See, for reference, the following documents:</p> <p>Joint Forum:</p> <ul style="list-style-type: none"> <li>• <a href="#">Principles for the supervision of financial conglomerates (Sep 2012)</a></li> </ul> <p>BCBS:</p> <ul style="list-style-type: none"> <li>• <a href="#">Framework for G-SIBs (Nov 2011)</a></li> <li>• <a href="#">Framework for D-SIBs (Oct 2012)</a></li> <li>• <a href="#">BCP 12 (Sep 2012)</a></li> </ul> <p>IAIS:</p> <ul style="list-style-type: none"> <li>• <a href="#">ICP 23 – Group wide supervision</a></li> </ul> <p>FSB:</p> <ul style="list-style-type: none"> <li>• <a href="#">Framework for addressing SIFIs (Nov 2011)</a></li> </ul>	<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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input checked="" type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>In March the European Parliament and the Council got the political agreement on CRD IV legislative text for implementing Basel III. This includes SIBs framework. The European Parliament confirmed this political agreement on April 16th.</p> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of :</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Banking sector: Spain underwent a 2nd FSAP by the IMF, published by mid-2012, including the assessment of compliance of the Basel Core Principles (October 2006). In this framework,</p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers Implement CRR and transpose, into national legislation, CRD IV</p> <p><b>Expected commencement date:</b></p> <p>01012014</p> <p><b>Web-links to relevant documents:</b></p>

<sup>2</sup> 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>compliance with BCP 24 “consolidated supervision” (October 2006) was graded “compliant”. Regulation on SIFIs The CRD IV text includes a mandatory systemic risk buffer of CET1 capital for banks that are identified by the competent authority as globally systemically important institutions (G-SII). The mandatory surcharge will be between 1 and 3.5% CET 1 and apply from 1 January 2016 onwards. The identification criteria follow the BCBS framework for G-SIBs. The EBA will develop draft regulatory technical standards on the identification methodology by 30 June 2014. Furthermore the text provides for a supervisory option for a buffer on other systemically important institutions (O-SII). This includes domestically important institutions as well as EU important institutions. The O-SII buffer is applicable from 2016 onwards but Member States wanting to set higher capital for certain banks earlier can use the systemic risk buffer. The EBA, in consultation with the ESRB, will publish guidelines by 1 January 2015 on the identification criteria of O-SIIs. These guidelines will take into account international frameworks for domestic systemically important institutions,</p>	

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				<p>European and National specificities. Consolidated supervision Beyond the currently applicable sectoral rules that already require consolidated supervision at sectoral level, Law 5/2005 and Royal Decree 1332/2005 established the requirement for the “supplementary” supervision of financial conglomerates, transposing the Directive 2002/87/EC of the European Parliament and of the Council. Directive 2011/89/UE of the European Parliament and of the Council has to be transposed into national Law by June 2013, incorporating technical amendments to the original Directive that attempt to improve the quality of supplementary supervision. A more fundamental review of the original Conglomerates Directive is currently under study. The European Commission had to report on this project that is supposed to incorporate the revised Joint Forum’s Principles for the Supervision of Financial Conglomerates, by December 2012. In such report the Commission considers it advisable not to propose a legislative change in 2013, specially taking into account that both sectoral rules (Solvency II and CRDIV/CRR) are not yet stable. Recovery plans and resolution Law 9/2012, 14 November, on</p>	

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				<p>Restructuring and resolution of credit institutions requires all Spanish banks or groups to have updated recovery plans that have to be approved by Banco de España. Those plans are required within 6 months of the pending regulatory development of the Law. However Banco de España (in its ongoing supervision) and the two Spanish G-SIBs are working on their recovery and resolution plans and Crisis Management Groups have been/are being established. Insurance sector: First of all and as point of departure to say that Spain has in place for the insurance sector a regulatory framework in relation with the supervision at group level.( The mentioned type of supervision does not lessen the importance of the legal entity supervision that continues to be a key element for the insurance supervisor). In relation with the insurance supervision at group level it seems appropriate to mention as well that the IMF carried out a 2nd FSAP assessment , where the compliance with IAIS ICPs ( revised version October 2011) was included. This assessment gives to the compliance of the ICP 23/ group wide supervision a grade of “ observed” .The results of this assessment have been published by mid-2012 . With the implementation of</p>	

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				<p>Solvency II the regulatory framework in relation with the group wide supervision will continue in its development and depth.</p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.imf.org/external/pubs/ft/scr/2012/cr12142.pdf">http://www.imf.org/external/pubs/ft/scr/2012/cr12142.pdf</a>  <a href="http://www.dgsfp.mineco.es/sector/Legislacion/ordenacionysupervision.asp">http://www.dgsfp.mineco.es/sector/Legislacion/ordenacionysupervision.asp</a></p>	

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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>	<b>Planned actions (if any):</b> See European Commission answers
(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"> <li>• <a href="#">Good practice principles on supervisory colleges (Oct 2010)</a></li> <li>• <a href="#">Report and recommendations on cross-border bank resolution ( Mar 2010)</a></li> </ul> IOSCO: <ul style="list-style-type: none"> <li>• <a href="#">Principles Regarding Cross-Border Supervisory Cooperation (May 2010)</a></li> </ul> IAIS : <ul style="list-style-type: none"> <li>• <a href="#">ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges</a></li> <li>• <a href="#">Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges</a></li> </ul>	<b>Issue is being addressed through :</b> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:  <b>Status of progress :</b> Reform effective (completed) as of : 2008  <b>Short description of the content of the legislation/ regulation/guideline:</b> Banking sector: BdE has already established colleges for the Spanish largest internationally active banks (Santander and BBVA). Meetings of these colleges have been held every year since 2007 (for Santander) and since 2008 (for BBVA), being the last ones in May 2012. The next meetings will be held in May 2013. In addition, a supervisory college for Banco Popular Group has been established in November 2011 with the main purpose of reaching a joint risk assessment and decision under the auspices of the revised CRD II. In 2011 BdE adopted as its own guidelines	<b>Expected commencement date:</b>  <b>Web-links to relevant documents:</b>

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				<p>for supervisory colleges, issued by international bodies. With respect to conducting risk assessments through international supervisory colleges, article 129(3) of the CRD III introduced, since 31 December 2010, a joint decision-making process for Pillar 2 between the consolidating supervisor and supervisors of subsidiaries within the EEA. The colleges meetings of the Spanish banking groups organized in 2011 were aimed, among other points, at reaching such a joint decision taking into account the ICAAP and SREP. These joint decisions were based on a rigorous risk assessment of the banking groups and all their subsidiaries. This thorough risk assessment has been conducted since the first supervisory college meetings. In 2011 Banco de España adopted as its own guidelines for joint assessment and joint decision regarding the capital adequacy of cross border groups, the ones issued by international bodies. For Crisis Management Groups see above N° 9. Insurance sector: The regulatory framework that has been designed through Solvency II assigns essential importance to the Supervisory Colleges. The same focus is followed through the global standards. In accordance with the</p>	

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				<p>previous the DGSFP has an active participation in them In most of them it acts as a host supervisor. The DGSFP is leader in 2 Supervisory Colleges at present and both Colleges have met in the year 2012. The third meeting of the international college for the first insurance group – MAPFRE- took place on November 2012. The Supervisory Colleges need to work on the identification and assessments of risks. The implementation of Solvency II should entail a series of rules on the decision making process in relation with the European Colleges. For the moment and while Solvency II is not implemented the conduction of a rigorous risk assessment is difficulted. Following the previous and under the EIOPA sphere the Action Plan for the year 2013 has established as one of the objectives to be reached in relation with the Supervisory Colleges “.....to develop in each college a common understanding on risk assessment and analysis,....”</p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.bde.es/bde/en/secciones/normativas/Guias/Guias.html">www.bde.es/bde/en/secciones/normativas/Guias/Guias.html</a></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 <a href="#">October 2006</a> Basel Core Principle (BCP) 25 (Home-host relationships) or, if more recent, the <a href="#">September 2012</a> 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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : 2008</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Banking sector: The supervisory exchange of information within the colleges is adequate for the performance of the college activities. BdE has developed a website for the exclusive use of supervisors of groups Santander and BBVA to ensure an efficient and comprehensive information exchange. The cooperation and exchange of information between authorities is increasing everyday in a bilateral and multilateral way. In the case of EU/EEA relations particular rules of cooperation and exchange of information are established in a multilateral way (MoUs</p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>under art 131 CRD). These aspects are considered in relation with the supervisory colleges as well. Spain underwent a 2nd FSAP by the IMF, published by mid-2012, including the assessment of compliance of the Basel Core Principles (October 2006). In this framework, compliance with BCP 25 on home-host relationships was graded “compliant”. The IMF didn’t make any recommendations or related comments. Insurance sector: The cooperation and exchange of information between authorities is increasing every day in a bilateral and multilateral way. In the case of the EU/EEE relations particular rules of cooperation and exchange of information are established in a multilateral way ( Protocols of Collaboration). Going further to the particular case of the Supervisory Colleges these essential aspects are considered as well. In the case of the Supervisory College of MAPFRE a secure platform for the exchange of information has been established, with its practical implementation on going. Coming back to the 2nd FSAP by the IMF,- published by mid- 2012- the ICP 25/ Supervisory Cooperation and Coordination , has been graded as</p>	

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				<p>“Observed” .</p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.imf.org/external/pubs/ft/scr/2012/cr12142.pdf">http://www.imf.org/external/pubs/ft/scr/2012/cr12142.pdf</a></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 <a href="#">October 2006</a> BCPs 1 and 23 or, if more recent, the <a href="#">September 2012</a> 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>	<b>Planned actions (if any):</b> See European Commission answers
(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)		<b>Issue is being addressed through :</b> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: see below	<b>Expected commencement date:</b>
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.	<b>Status of progress :</b> Reform effective (completed) as of : <b>Short description of the content of the legislation/ regulation/guideline:</b> Banking sector: Major FSAP recommendations/comments related to: <ul style="list-style-type: none"> <li>• BCP 1: Improve independence, and legal and sanctioning powers of BdE and that BdE implements a more structured and forward looking approach for dealing with declining banks which have not yet violated any regulatory rules.</li> <li>• BCP 23: Review of the enforcement procedures of BdE including the implementation of earlier actions. All these recommendations were included under the horizontal conditionality of the Memorandum of Understanding on</li> </ul>	<b>Web-links to relevant documents:</b>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Financial Sector Policy Conditionality signed by Spanish Authorities (July 2012). Last review of the Spanish compliance with the Financial Assistance Programme based on findings of a joint European Commission (EC)/ECB found that the implementation of the horizontal financial sector conditionality has been further advanced and is close to completion in most areas:</p> <ul style="list-style-type: none"> <li>• BdE supervisory and regulatory powers have been reinforced</li> <li>• The BdE has already concluded an internal review of its supervisory procedures (see report). Several proposals were made and their implementation is on-going, taking into account the forthcoming Single Supervisory Mechanism Regarding the resources and expertise (2nd paragraph), The FSAP team recognized that the core supervisory process at the BdE is strong and supported by qualified staff and an experienced cadre of inspectors. Regardless of that, one of the proposals of the aforementioned internal review of supervisory procedures is to conduct a study of staff needed in the directorate General of Supervision. Insurance sector: The “Dirección General de Seguros y</li> </ul>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Fondos de Pensiones” belongs to the Ministry of Economy and Competitiveness. Although no administrative independent the DGSFP has clear objectives fixed by Law and operates in an independent manner. Its staff is competent and with appropriate qualification. Its budget is linked to the General Budget. The previous situation is an obstacle to obtain the appropriate resources (financing/ personnel). The DGSFP has traditionally carried out an intensive and appropriate supervision of the insurance and pension funds markets. Nevertheless the intensive requirements in relation with its work together with the limitations observed lead to a more difficult compliance of its functions. The previous situations, including the limitations observed , have been shown through the IMF FSAP. It’s not possible to advance the adoption of any particular measure at this moment. With surrounded circumstances to be considered. Despite the previous limitations the DGSFP’ efforts orientated to reach an appropriate update of its staff through EIOPA Seminars or at home need to be mentioned. On the other side, the DGSFP participates in the stress tests carried out by EIOPA.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p><b>Web-links to relevant documents:</b></p> <p>MoU:  <a href="http://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/InformacionInteres/ReestructuracionSectorFinanciero/Ficheros/en/mou_en.pdf">http://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/InformacionInteres/ReestructuracionSectorFinanciero/Ficheros/en/mou_en.pdf</a></p> <p>2nd review report from IMF from EC/ECB:  <a href="http://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/InformacionInteres/ReestructuracionSectorFinanciero/Archivo/Ficheros/fmi050313en.pdf">http://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/InformacionInteres/ReestructuracionSectorFinanciero/Archivo/Ficheros/fmi050313en.pdf</a>  <a href="http://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/InformacionInteres/ReestructuracionSectorFinanciero/Archivo/Ficheros/comision_informeevaluacion032013en.pdf">http://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/InformacionInteres/ReestructuracionSectorFinanciero/Archivo/Ficheros/comision_informeevaluacion032013en.pdf</a></p> <p>Report Analysis of the supervisory procedures of BdE:  <a href="http://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/ComunicadosBCE/DecisionesPoliticaMonetaria/13/Arc/Fic/Informe_de_la_Comision_Interna_en.pdf">http://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/ComunicadosBCE/DecisionesPoliticaMonetaria/13/Arc/Fic/Informe_de_la_Comision_Interna_en.pdf</a> Spain</p> <p>FSAP:  <a href="http://www.imf.org/external/pubs/ft/scr/2012/cr12137.pdf">www.imf.org/external/pubs/ft/scr/2012/cr12137.pdf</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>V. Building and implementing macroprudential frameworks and tools</b>					
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 <sup>3</sup> 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>	<b>Planned actions (if any):</b> See European Commission answers
(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.	<p><b>Issue is being addressed through :</b></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><b>Status of progress :</b></p> <p>Reform effective (completed) as of : Mid 2013</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>It should be taken into account that according to the Law of Autonomy of the BdE (Law 13/1994), the preservation of financial stability ("to promote the smooth operation and the stability of the financial system") is one of the objectives assigned to the Bank of Spain. Moreover, in 2006, the Ministry of Finance, the BdE (Central Bank and banking supervisor), the Comisión Nacional del</p>	<p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

<sup>3</sup> 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>Mercado de Valores (securities supervisor) and the Dirección General de Seguros (insurance supervisor), created a Domestic Standing Group (DSG) on financial stability, which meets regularly. This Group aims, among other matters, to identify, prevent and mitigate macroprudential risks across the financial system. Therefore, it should be taken into account that Spain already had an institutional framework that was suitable for macroprudential policy oversight. However, there is ongoing work aimed at enhancing this framework through the creation of a new macroprudential authority, which will comply with the recommendations of the ESRB (see answer to the next question for more details). The legislation establishing this new authority is expected to be approved in the next few months. In compliance with the deadlines established in the ESRB recommendations, the details of this reform are expected to be specified by end-June 2013.</p> <p><b>Web-links to relevant documents:</b></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 <a href="#">Operationalising the selection and application of macroprudential instruments (Dec 2012)</a>.</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><b>Issue is being addressed through :</b></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><b>Status of progress :</b></p> <p>Draft in preparation, expected publication by : Mid 2013</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></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 <a href="#">Macroprudential policy tools and frameworks (Oct 2011)</a>, and the IMF paper on <a href="#">Macroprudential policy, an organizing framework (Mar 2011)</a>.</p>	<p>There is ongoing work aimed at creating a new macroprudential framework in Spain. Some of the details of the new framework are still under discussion, but it will be ensured that it fully complies with the recommendations of the ESRB. In particular:</p> <p>-The objective of the macroprudential authority will be clearly established in the legislation, specifying the goal of protecting the stability of the financial system (increasing the resilience of the system; preventing and mitigating systemic risks) so as to ensure a sustainable contribution of the financial</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>system to economic growth.</p> <p>-With regards to institutional arrangements BdE, the Ministry of Finance and microprudential supervisors will participate in the new framework. In line with the ESRB recommendations, a leading role of BdE will be ensured.</p> <p>-The new framework will identify and monitor systemic risks and implement policies aimed at preventing and mitigating them. To conduct this task, the new authority will have access to all the relevant information and will be able to issue warnings and recommendations according to the relevant macroprudential instruments. Adequate transparency and accountability arrangements will be established. In particular, the new authority will be accountable to the Parliament. Finally, the operative independence of the new authority will be ensured.</p> <p><b>Web-links to relevant documents:</b></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"> <li>• <a href="#">Report and recommendations of the Cross-border Bank Resolution Group (Mar 2010)</a></li> <li>• <a href="#">Good Practice Principles on Supervisory Colleges (Oct 2010) (Principles 2, 3 and 4 in particular)</a></li> </ul>	<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><b>Issue is being addressed through :</b></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><b>Status of progress :</b></p> <p>Reform effective (completed) as of : 1 January 2007 (such requirements are laid down in the current European legislative text, the so-called CRD III, which is recasted in the upcoming CRD IV/CRR)</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>See also 9 and 10 above It is expected that current initiatives underway related to macroprudential policy will strengthen the cooperation between supervisors and central banks. Moreover, for the Banking recovery and resolution directive there is draft regulation as of 6/6/12 Possible under Capital Requirements Directive and Financial Conglomerates Directive (2002) and Insurance Groups Directive (1998).</p> <ul style="list-style-type: none"> <li>• Existing arrangements in the CRD Member States have already been</li> </ul>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers • On CRD4/CRR Publication of the approved CRD IV/CRR in the Official journal of the European Union by 1 July 2013 • On resolution (BRRD) The Commission carried out a consultation on a possible recovery and resolution framework for financial institutions other than banks at the end of 2012. The results have been published and a proposal is due later in 2013.</p> <p><b>Expected commencement date:</b></p> <p>1 January 2014 (CRD4)</p> <p><b>Web-links to relevant documents:</b></p> <p>On CRD4 European banking prudential texts (CRD IV and CRR) approved by European Parliament on 16 April 2013 and Council on 27 March 2013  <a href="http://www.europarl.europa.eu/sides/getDoc.do?pubRef=%2f%2fEP%2f%2fTEXT%2bTA%2b20130416%2bTOC%2bDOC%2bXML%2bV0%2f%2fEN&amp;language=EN">http://www.europarl.europa.eu/sides/getDoc.do?pubRef=%2f%2fEP%2f%2fTEXT%2bTA%2b20130416%2bTOC%2bDOC%2bXML%2bV0%2f%2fEN&amp;language=EN</a></p> <p>On bank recovery and resolution  <a href="http://ec.europa.eu/internal_market/bank/crisis_management/index_en.htm">http://ec.europa.eu/internal_market/bank/crisis_management/index_en.htm</a></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 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.</p> <ul style="list-style-type: none"> <li>• 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 European Council has instructed reaching agreement on the directive by summer</li> </ul>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>2013.</p> <p><b>Web-links to relevant documents:</b>            Directive and Regulation approved by EP on 16 April 2013 (both texts recast the current Directive 2006/48/EC)</p> <p><a href="http://www.europarl.europa.eu/sides/getDoc.do?pubRef=%2f%2fEP%2f%2fTEXT%2bTA%2b20130416%2bTOC%2bDOC%2bXML%2bV0%2f%2fEN&amp;language=EN">http://www.europarl.europa.eu/sides/getDoc.do?pubRef=%2f%2fEP%2f%2fTEXT%2bTA%2b20130416%2bTOC%2bDOC%2bXML%2bV0%2f%2fEN&amp;language=EN</a></p> <p><a href="http://ec.europa.eu/internal_market/bank/crisis_management/index_en.htm">http://ec.europa.eu/internal_market/bank/crisis_management/index_en.htm</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VI. Improving oversight of credit rating agencies (CRAs)</b>					
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: <ul style="list-style-type: none"> <li>• <a href="#">Code of Conduct Fundamentals for Credit Rating Agencies (May 2008)</a></li> </ul>	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i>	<b>Planned actions (if any):</b> See European Commission answers
(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.  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"> <li>• Principle 22 of <a href="#">Principles and Objectives of Securities Regulation (Jun 2010)</a> which calls for registration and oversight programs for CRAs;</li> <li>• <a href="#">Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003)</a>; and</li> <li>• <a href="#">Credit Rating Agencies: Internal Controls Designed to Ensure the Integrity of the Credit Rating Process and Procedures to Manage Conflicts of Interest (Dec 2012)</a>.</li> </ul>	<p><b>Issue is being addressed through :</b></p> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify:	<b>Expected commencement date:</b>
(25)		Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)		<p><b>Status of progress :</b></p> Reform effective (completed) as of : Dec 2009 and Jun 2011	<b>Web-links to relevant documents:</b>
				<p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> The EU Regulation is directly applicable to CRAs. It includes registration and supervision of CRAs. ESMA has been entrusted with centralized supervision on CRAS in the EU. ESMA also drafts Regulatory Technical Standards and guidelines and recommendations. Furthermore, the Regulation mandates ESMA to maintain a central repository where information on the past performances of CRAs and information about credit ratings issued in the past are to be kept and made public.	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<a href="http://ec.europa.eu/internal_market/securities/agencies/index_en.htm">http://ec.europa.eu/internal_market/securities/agencies/index_en.htm</a> <a href="http://www.esma.europa.eu/page/CRA-documents">http://www.esma.europa.eu/page/CRA-documents</a>	

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
<b>VII. Enhancing and aligning accounting standards</b>					
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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : January 2005</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>BdE, as Spanish accounting regulator for banks, fully aligns with International Accounting Standards by means of implementing these standards in its banking accounting circulars once the standards have been adopted by the European Commission. Thus, this is a recurrent task for the BdE and cannot be considered permanently completed. Review of compliance with banking accounting circulars is part of BdE’s supervisory on-site and off-site procedures. Insurance sector: The DGSFP is the Spanish accounting regulator for the insurance companies. The accounting</p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers BdE will continue to fully align its accounting circulars with IAS as adopted by the European Commission. As purpose of the DGSFP to maintain the alienation of the national rules with the international accounting standards as adopted by the EC.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>for the insurance companies is fully aligned with the International Accounting Standards through the “ Plan de Contabilidad de las Entidades Aseguradoras”. ( Accounting Plan for the Insurance Companies). Review of the compliance with the mentioned plan is carried out by the DGSFP through its supervisory functions ( off site/ on site). ESMA's work in this area is carried out by the Corporate Reporting Standing Committee and by the EECS.</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://app.bde.es/clf_www/leyes.jsp?id=52213&amp;tipoEnt=0">http://app.bde.es/clf_www/leyes.jsp?id=52213&amp;tipoEnt=0</a></p> <p><a href="http://www.esma.europa.eu/page/corporate-reporting-sc">http://www.esma.europa.eu/page/corporate-reporting-sc</a></p> <p><a href="http://www.esma.europa.eu/page/IFRS-Enforcement-0">http://www.esma.europa.eu/page/IFRS-Enforcement-0</a></p> <p><a href="http://www.esma.europa.eu/page/Corporate-reporting-policy">http://www.esma.europa.eu/page/Corporate-reporting-policy</a></p> <p><a href="http://www.dgsfp.mineco.es/sector/Legislacion/MenuContabilidad.asp">http://www.dgsfp.mineco.es/sector/Legislacion/MenuContabilidad.asp</a></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"> <li>• <a href="#">Basel 2.5 standards on prudent valuation (Jul 2009)</a></li> <li>• <a href="#">Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</a></li> </ul>	<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><b>Issue is being addressed through :</b></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><b>Status of progress :</b></p> <p>Reform effective (completed) as of : January 2013</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Banking sector: Regarding the accounting treatment of financial instruments, BdE, as Spanish accounting regulator for banks, has to align its accounting regulations to the international standards as adopted by the European Commission. Accordingly, BdE works in line with the ongoing reform of the IAS 39. In this respect, in December 2012 the European Union adopted IFRS 13 “Fair Value Measurement” that sets out a single IFRS framework for measuring fair value and provides comprehensive guidance on how to measure the fair value of both financial and non-financial assets and liabilities. Thus, IFRS 13 is expected to reduce the concerns about the reliability of the fair</p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers. Please see 18 above. However, the reform of IAS 39 has not yet finished. Therefore, the European Commission has decided to postpone adoption of the reform of IAS 39 until this reform is completed in order to have the whole picture. Bank of Spain is going to propose limited amendments to Circular 4/2004 in order to adapt this regulation to IFRS 13 “Fair Value Measurement” approved by the European Commission.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>value of financial instruments. Regarding to the examination of the use of valuation reserves or adjustments for fair valued financial instruments, BdE supervises solvency and compliance with the specific regulations of banking institutions. Its supervision model is based on a continuous supervision of financial institutions, with receipt and analysis of periodic information and on-site inspections, and includes the valuation of assets and liabilities, and review and evaluation of risks and solvency. The portion of financial instruments measured at fair value in the Spanish Banking Sector is small, and the majority of the fair value of these instruments is obtained from observable quoted prices in active markets to sell. In addition, the EU proposal of Regulation on prudential requirements for credit institutions will establish a “prudent valuation adjustment” for all financial instruments measured at fair value, whether in the trading book or non-trading book of credit institutions, so if the application of “prudent valuation” led to a lower carrying value than recognised in the accounting, the absolute value of the difference would be deducted from own funds. Furthermore, the Regulation project will establish that institutions shall not make adjustments to remove</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>from their own funds unrealised gains or losses on their assets or liabilities measured at fair value. Insurance sector: The verification of the fair value of the financial instruments, when these, are not negotiated in particular in a regulated market, is carried out under the sphere of the on site inspections. For this, the guidances included in the IFRS 13 on the fair value calculation are taken into account.</p> <p><b>Web-links to relevant documents:</b>  <a href="http://ec.europa.eu/internal_market/bank/regcapital/new_proposals_en.htm">http://ec.europa.eu/internal_market/bank/regcapital/new_proposals_en.htm</a>   <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:360:0078:0144:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:360:0078:0144:EN:PDF</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VIII. Enhancing risk management</b>					
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 <a href="#">Principles for the supervision of financial conglomerates (Sep 2012)</a> 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>	<b>Planned actions (if any):</b> See European Commission answers
(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"> <li>• <a href="#">Principles for effective risk data aggregation and risk reporting (Jan 2013)</a></li> <li>• <a href="#">The Liquidity Coverage Ratio (LCR) (Jan 2013)</a></li> <li>• <a href="#">Principles for the sound management of operational risk (Jun 2011)</a></li> <li>• <a href="#">Principles for sound stress testing practices and supervision (May 2009)</a></li> </ul>	<b>Issue is being addressed through :</b> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:  <b>Status of progress :</b> Draft approved and in force / to be in force from / by : Draft CRDIV / CRR approved by European Parliament on 16 April 2013 and Council on 27 March 2013. The texts are expected to be published in the Official Journal of the European Union by 1 July 2013 and enter into force by 1 January 2014	<b>Expected commencement date:</b>
(34)		Regulators and supervisors in emerging markets <sup>4</sup> will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions may also refer to FSB's February 2013 <a href="#">thematic peer review report on risk governance</a> .	<b>Short description of the content of the legislation/ regulation/guideline:</b>  (paragraph: 31) Apart from the steps already included in previous IMN surveys (i.e a) Rule 105th of CBE3/2008 referring to internal structure, risk management and internal control; b) BdE supervisory model; c) guidelines issued by CEBS/EBA adopted as BdE's own on	<b>Web-links to relevant documents:</b>
(35)		We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)			

<sup>4</sup> Only the emerging market jurisdictions may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>liquidity cost benefit allocation, liquidity buffer and survival periods, management of operational risk in market related activities, implementation of the revised large exposures regime, stress testing, management of concentration risk under the supervisory review process and operational risk mitigation techniques), BdE has adopted as its own (on June 2012) EBAs guidelines on internal governance (GL 44) on the implementation by entities of the best practices in internal governance. BdE has also recently updated its risk assessment in order to better harmonize the SREP and to include and implement best risk management practices. The new risk assessment system is in a testing phase, after the testing phase it might be approved formally and published in order to detail and disseminate the factors considered by BdE in determining an institution risk profile. According to the FSB peer review on risk governance, Spanish practices are aligned with other countries and have further improved due to the adoption of the aforementioned guidelines. Some improvements related to a specific procedure for reviewing institutions governance are encouraged. (par 33) The guidance has been incorporated into modification of the CBE 3/2008. Two EBA (formerly CEBS)</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>guidelines on liquidity buffers and liquidity cost benefits allocation have also been adopted. BdE participates on the WG of liquidity of BCBS and will implement the LCR according to the European legislation procedures (CRR and transposition of CRD IV). (par 35)</p> <p>BdE has a strong commitment to conduct stress tests:</p> <ul style="list-style-type: none"> <li>• BdE has adopted as its own the CEBS guidelines on stress testing" (GL 32) and review its ICAAP guidelines accordingly. We review the internal stress test exercises made by the entities in their ICAAP</li> <li>• We are participating in the next European wide stress test exercise</li> <li>• The first milestone of the MoU was a stress test exercise for the main Spanish groups, accounting for around 90% of our system, which was completed in September 2012</li> </ul> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.bde.es/bde/en/secciones/normativas/Guias/Guias.html">www.bde.es/bde/en/secciones/normativas/Guias/Guias.html</a></p> <p><a href="http://www.bde.es/webbde/es/secciones/normativa/circu/c-4-2011.pdf">www.bde.es/webbde/es/secciones/normativa/circu/c-4-2011.pdf</a></p> <p><a href="http://www.bde.es/webbde/es/secciones/normativa/circu/c200803.pdf">www.bde.es/webbde/es/secciones/normativa/circu/c200803.pdf</a></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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>During 2012, multiple actions have been adopted (see a summary below). They include changes in the regulation as well as in the supervisory framework.</p> <p><b>Status of progress :</b></p> <p>[No response]</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>To mitigate uncertainty regarding the valuation of assets related to construction and real estate development, the Government approved, in February and May, two Royal Decree-Laws, which required a significant increase in provisions for impaired loans and foreclosed assets. In addition, measures were introduced to address concerns about performing assets by requesting that banks introduce a 30% of additional provisions for the loan portfolio classified as normal, in order to take into account</p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>the potential migration from the normal to the problematic portfolio. In July, Spanish and European authorities agreed a Memorandum of Understanding (MoU) , which established a roadmap for the recapitalisation and restructuring of the Spanish banking system, with focused on the cleaning-up of balance sheets and the recapitalisation and restructuring of the vulnerable banks. The key components of the programme were: i) the identification of individual bank capital needs through a comprehensive asset quality review of the banking sector and a bank-by- bank stress test, conducted by an independent external consultant; ii) the recapitalisation, restructuring and/or resolution of the least viable banks, based on plans to address capital shortfalls identified in the stress test; iii) Segregation of real estate problem assets and their transfer to an external Asset Management Company (Sareb); and iv) a regulatory reform focused on resolution, savings banks, enhanced transparency and a stringent minimum capital requirement for all banks, on top of a high levels of provisioning. The first stage of this process was a top-down stress test (conducted in June 2012), which allowed to approximate potential capital needs of the system as a whole. In the second</p>	

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				<p>stage, a bottom-up analysis was conducted from early July to end-September. This analysis involved a comprehensive review of banks' balance sheets. The results were then used as an input for a second round of stress-test exercises to determine bank by bank capital needs. The rigor of this exercise was underpinned by the exhaustiveness of the information used (176,000 hours of work of external auditors; information on 36 million loans and 8 million collaterals; 1.7 million automatic house appraisals and more than 8,000 appraisals of specific assets), the harshness of the macroeconomic scenario (6.5% cumulative decline in GDP) and the strong governance of the process (with the participation of the ECB, the European Commission, the EBA and the IMF as an advisor) The capital shortfall estimated for the system as a whole in the adverse scenario amounted to €57 bn (below the 100 backstop). 86% of the sector's capital needs were concentrated in 4 banks where the Fund for Orderly Bank Restructuring (FROB) already had a majority stake. Seven banking groups accounting for 62% of the credit portfolio analysed did not require any additional capital Banks with a capital shortfall prepared their restructuring and recapitalisation plans. Banks receiving</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>State aid shall undertake a restructuring process, compatible with European rules on State aid. These restructuring plans are more demanding for institutions with greater capital needs and entail important adjustments. Final capital needs were reduced through several channels: burden-sharing measures have reduced capital needs by €12 bn; the transfer of problem assets to Sareb has accounted for a €1 bn reduction and other mitigating measures (e.g. private capital raising, divestments) have reduced capital needs by €5 bn. Therefore, final needs of public financial assistance have amounted to €9 bn. One of the main elements of the recapitalisation and restructuring process is the segregation of impaired assets of institutions requiring State aid to the Asset management company (Sareb), which was established in December 2012.</p> <p><b>Web-links to relevant documents:</b></p>	

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 <a href="#">Enhancing the Risk Disclosures of Banks</a> .	<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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : Jan 2009</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Banking sector: Basel II Pillar 3 requirements came into force in Spain in January 2009. Spanish firms published their first reports following the new rules in mid 2009. New Pillar 3 measures approved in July 2009 came into force by end-2011. More recently (2011), the BdE has required credit institutions to provide greater detail in their annual accounts and in their half-year information on their exposures to the real estate sector and mortgage portfolio as well as on their funding position. The Bank of Spain’s Circular (CBE) 4/2004 incorporates IFRS 7 and IFRS 13 requirements regarding risks and fair value information- Relating to the recommendations of the EDTF, the</p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>BdE has indicated to the relevant banks their need to follow and implement them in their Pillar 3 reports. Spanish systemic banks have already started to do so in their 2012 reports which have already been published. Insurance sector: The main aspects related to the financial instruments and their fair value ( IFRS 7 and 13) are included in the “ memoria” (memory)of the annual accounts of the insurance companies.</p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.bde.es/webbde/es/secciones/normativa/circu/c-4-2011.pdf">http://www.bde.es/webbde/es/secciones/normativa/circu/c-4-2011.pdf</a>  <a href="http://www.bde.es/webbde/es/secciones/normativa/circu/c-5-2011.pdf">http://www.bde.es/webbde/es/secciones/normativa/circu/c-5-2011.pdf</a></p>	

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<b>IX. Strengthening deposit insurance</b>					
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 <a href="#">thematic peer review report on deposit insurance systems</a> .	<p>Not applicable</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Spanish regulations on deposit insurance regulations are already in line with the conclusions of the February 2012 thematic peer review report on deposit insurance systems. No material shortcomings have been detected that require any action in the short term.</p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>[No response]</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers It is likely that an update of the EU Directive on deposit insurance arrangements will be approved in the near future, and that Spanish regulations on deposit insurance arrangements will be updated accordingly: <a href="http://ec.europa.eu/internal_market/bank/guarantee/">http://ec.europa.eu/internal_market/bank/guarantee/</a></p> <p><b>Expected commencement date:</b></p> <p>In 2013</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://ec.europa.eu/internal_market/bank/guarantee/">http://ec.europa.eu/internal_market/bank/guarantee/</a></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>X. Safeguarding the integrity and efficiency of financial markets</b>					
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"> <li>• <a href="#">Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011)</a>; and</li> <li>• <a href="#">Report on Principles for Dark Liquidity (May 2011)</a>.</li> </ul>	<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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>The CNMV has adopted the ESMA guidelines on systems and controls in an automated trading environment for trading platforms, investment firms and competent authorities. Entering into force 1 May 2012.</p> <p><b>Status of progress :</b></p> <p>Draft published as of : October 2011</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>MiFID review and MAR review, currently underway, will contemplate these aspects. The approval is expected by mid of 2013.</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.esma.europa.eu/content/ESMA-readies-guidelines-automated-trading-%E2%80%93-application-deadline-starts#">http://www.esma.europa.eu/content/ESMA-readies-guidelines-automated-trading-%E2%80%93-application-deadline-starts#</a></p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers Spanish regulation will adapt to European directives in accordance with the timetable for transposition.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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 <a href="#">Principles for the Regulation and Supervision of Commodity Derivatives Markets (Sep 2011)</a>.</p> <p>Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the <a href="#">report</a> 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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>The supervision of regulated markets of derivatives on commodities (olive oil) is assigned to the CNMV.</p> <p><b>Status of progress :</b></p> <p>Draft published as of : october 2011</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>MiFID and MAR review, currently underway, will contemplate all these aspects. The approval is expected by mid of 2013.</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm">http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm</a></p> <p><a href="http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0651:FIN:EN:PDF">http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0651:FIN:EN:PDF</a></p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers Spanish regulation will adapt to European directives in accordance with the timetable for transposition.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>26 New</p>	<p>Legal Entity Identifier</p>	<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>	<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>	<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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : March 2013 (at European level):</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>ESMA and Spain, represented by the Bank of Spain, is a member of the LEI ROC. 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><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:352:0020:0029:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:352:0020:0029:EN:PDF</a>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>XI. Enhancing financial consumer protection</b>					
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 <a href="#">G-20 high-level principles on financial consumer protection (Oct 2011)</a> .	<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><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>As regards investor protection, Spanish securities legislation, as adapted to EU legislation, complies with OECD's principles. The CNMV is responsible for preserving investor protection in carrying out its duties as supervisor of securities markets.</p> <p><b>Status of progress :</b></p> <p>[No response]</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>The CNMV is also in charge of handling investor complaints and is a member of FIN-NET for EU cooperation and coordination. The CNMV together with BoE and DGSFP promote the Financial Education Plan which is being carried out since 2008. At EU level, investor protection is a core ESMA objective.</p>	<p><b>Planned actions (if any):</b></p> <p>See European Commission answers</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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

**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:**

DGFSP: Dirección General de Seguros y Fondos de Pensiones.

ICAAP: Internal Capital Adequacy Assessment Process

SREP: Supervisory Review and Evaluation Process