

Jurisdiction: Germany

2018 IMN Survey of National/Regional Progress in the Implementation of G20/FSB Recommendations

Contact information

- I. Hedge funds
- II. Securitisation
- III. Enhancing supervision
- IV. Building and implementing macroprudential frameworks and tools
- V. Improving oversight of credit rating agencies (CRAs)
- VI. Enhancing and aligning accounting standards
- VII. Enhancing risk management
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- IX. Safeguarding the integrity and efficiency of financial markets
- X. Enhancing financial consumer protection

List of abbreviations used

Sources of recommendations

List of contact persons from the FSB and standard-setting bodies

National authorities from FSB member jurisdictions should complete the survey and submit it to the FSB Secretariat (imn@fsb.org) by **Friday, 8 June 2018** (*representing the most recent status at that time*). The Secretariat is available to answer any questions or clarifications that may be needed on the survey. Please also provide your contact details for the person(s) completing the survey and an index of abbreviations used in the response.

National authorities are expected to submit the information to the FSB Secretariat using the Adobe Acrobat version of the survey. The Microsoft Word version of the survey is also being circulated to facilitate the preparation/collection of survey responses by relevant authorities within each jurisdiction.

Jurisdictions that previously reported implementation as completed in a particular recommendation are only required to include information about main developments since last year's survey and future plans (if applicable) ("Update and next steps" table). New reforms to enhance the existing framework in that area should be described, but should not lead to a downgrade from implementation completed to ongoing. Jurisdictions that do not report implementation as completed are required to include full information both in the "Progress to date" and "Update and next steps" tables.

As with previous IMN surveys, the contents of this survey for each national jurisdiction will be published on the FSB's website at around the time of the 2018 G20 Summit in Buenos Aires. The FSB Secretariat will contact member jurisdictions ahead of the Summit to check for any updates or amendments to submitted responses before they are published.

I. Hedge funds

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1. Registration, appropriate disclosures and oversight of hedge funds

G20/FSB Recommendations

We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds.
(Seoul)

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)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).

I. Hedge funds

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2. Establishment of international information sharing framework

G20/FSB Recommendations

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)

Remarks

Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's [Report on Hedge Fund Oversight \(Jun 2009\)](#) on sharing information to facilitate the oversight of globally active fund managers.

In addition, jurisdictions should state whether they are:

- Signatory to the IOSCO MMoU in relation to cooperation in enforcement
- Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO [Principles Regarding Cross-border Supervisory Cooperation](#).

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 22.07.2013

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I. Hedge funds

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2. Establishment of international information sharing framework

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
☐ Regulation / Guidelines
☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Guidelines on the model MoU concerning consultation, cooperation and the exchange of information related to the supervision of AIFMD entities.

Other actions: BaFin cooperates and shares information with authorities on the basis of relevant IOSCO and ESMA MoU. Besides that, the AIFM Directive demands the closure of cooperation agreements (MoU) in case of existing AIF business with third country NCAs. The content of the MoU is regulated by an ESMA Guideline. The purpose of these agreements is to enable the signatories to exchange information on a regulated basis. It covers all AIFs including hedge funds. So far, the BaFin has entered 23 AIFMD MoU agreements. The full list of all signatories is available on: http://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Merkblatt/WA/mb_130_722_internat_koopvereinbarungen_kagb_en.html

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I. Hedge funds

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2. Establishment of international information sharing framework

Update and next steps

Highlight **main developments since last year's survey**

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

The content of the ESMA AIFMD Model MoU is available at: www.esma.europa.eu/system/files/2013998_guidelines_on_the_model_mous_concerning_aifmd.pdf

I. Hedge funds

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3. Enhancing counterparty risk management

G20/FSB Recommendations

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)

Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)

Remarks

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.

In particular, jurisdictions should indicate whether they have implemented recommendation 3 of the IOSCO [Report on Hedge Fund Oversight \(Jun 2009\)](#).

In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III capital requirements for counterparty risk, since it is [monitored separately](#) by the BCBS.

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO [Objectives and Principles of Securities Regulation](#), and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date

- ☐ Not applicable
- ☐ Applicable but no action envisaged at the moment
- ☐ Implementation ongoing
- ☒ Implementation completed as of

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- ☐ Draft published as of
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I. Hedge funds

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3. Enhancing counterparty risk management

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
☒ Regulation / Guidelines
☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

German regulations require financial institutions to have an effective risk management in place, which covers all counterparties. This includes counterparty limits and monitoring mechanisms for hedge funds. In addition to these general requirements, the Minimum Requirements for Risk Management (Banks) require explicitly that institutions have to implement an internal policy regarding credit deals with hedge funds or private equity firms, where applicable. Amongst other things, this comprises a policy regarding gathering financial and nonfinancial information about their counterparties and an analysis of the structure and the purpose of the transactions financed. German regulations require financial institutions to consider every relevant risk which they are exposed to. This includes also the specific risks of exposures to leveraged counterparties.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I. Hedge funds

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3. Enhancing counterparty risk management

Update and next steps

Highlight main developments since last year's survey

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

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4. Strengthening of regulatory and capital framework for monolines									

G20/FSB Recommendations

Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).

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5. Strengthening of supervisory requirements or best practices for investment in structured products									

G20/FSB Recommendations

Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)

Remarks

Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products.

Jurisdictions may reference IOSCO's report on [Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments \(Jul 2009\)](#).

Jurisdictions may also refer to the Joint Forum report on [Credit Risk Transfer-Developments from 2005-2007 \(Jul 2008\)](#).

Progress to date

- ☐ Not applicable
- ☐ Applicable but no action envisaged at the moment
- ☐ Implementation ongoing
- ☒ Implementation completed as of 31.12.2010

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

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- ☐ Draft published as of
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- ☐ Final rule (for part of the reform) in force since

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5. Strengthening of supervisory requirements or best practices for investment in structured products									

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☐ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions For financial institutions (esp. banks) the requirements in Germany for risk management, including the new product process, have been enhanced. Financial institutions must have a clear understanding of the products and the risk profile of all investments. Investment products have to be examined adequately in the internal risk management processes (risk measurement, limit system, stress testing, etc.) and the internal capital adequacy assessment process. Furthermore, the investment in structured products has to be in line with the strategy of the institution. The respective enhancements of EU legislation (CRD) had been transposed into German law, e.g. the strengthened management requirements for structured investment products and further due diligence requirements, especially for re-securitisations. These due diligence requirements have with effect from 01.01.2014 now been replaced by the almost identical rules of Article 406 of Regulation (EU) No 575/2013 (CRR).	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

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5. Strengthening of supervisory requirements or best practices for investment in structured products									

Update and next steps	
Highlight main developments since last year's survey As of 1.1.2019, the rules of Article 406 of Regulation (EU) No 575/2013 (CRR) will be replaced by the requirements of Article 5 of a new Securitisation Regulation (Regulation (EU) 2017/2402). The Securitisation Regulation entered into force at the beginning of 2018 and will apply to all securitisations across regulated financial sectors and include due diligence, risk retention and transparency rules together with the criteria for Simple, Transparent and Standardised ("STS") Securitisations (see: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R2402)	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R2402

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6. Enhanced disclosure of securitised products

G20/FSB Recommendations

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)

Remarks

Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.

See, for reference, IOSCO's [Report on Principles for Ongoing Disclosure for Asset-Backed Securities \(Nov 2012\)](#), [Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities \(Apr 2010\)](#) and [report on Global Developments in Securitisation Regulations \(November 2012\)](#), in particular recommendations 4 and 5.

Progress to date

- ☐ Not applicable
- ☐ Applicable but no action envisaged at the moment
- ☐ Implementation ongoing
- ☒ Implementation completed as of National implementation

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6. Enhanced disclosure of securitised products

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
☐ Regulation / Guidelines
☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

A) Regarding credit institutions: As a response to the financial crisis the European Union introduced the Capital Requirements Directive II (CRD II) (Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009 amending Directives 2006/48/EC, 2006/49/EC and 2007/64/EC as regards banks affiliated to central institutions, certain own funds items, large exposures, supervisory arrangements, and crisis management), which included among others, enhanced disclosure rules regarding ABS. Under Article 122a (7) of CRD II each credit institution acting as sponsor or originator of a securitisation was subject to comprehensive disclosure obligations towards prospective investors. In particular such credit institutions needed to ensure that prospective investors have readily available access to: - all materially relevant data on the credit quality and performance of the individual under-lying exposures, cash flows and collateral supporting a securitisation exposure; and - all information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures. The respective provisions of EU CRD II legislation had been transposed into German law but have been replaced by the regulations mentioned above that are not only applicable to credit institutions, but also to investment firms. For further information on issuers, originators and sponsors of ABS and their enhanced disclosure obligations under CRR and CRA III, please refer to the EU-COM answer. B) Regarding insurance and reinsurance undertakings: Solvency II entered into force in January 2016 and applies to all insurance and reinsurance undertakings concerned by Directive 2009/138/EG of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive). The Commission has published Delegated Acts in accordance with Article 135 (2) of the Solvency II Directive (Commission Delegated Acts Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EG). These Delegated Acts specify requirements to be met by the originator in order for undertakings to be allowed to invest in such securities or instruments issued after 1 January 2011, including requirements that ensure that the originator retains a net economic interest of no less than 5%. Moreover, these Delegated Acts stipulate qualitative requirements that must be met by insurance or reinsurance undertakings that invest in such securities or instruments. Articles 254 to 257 of the Delegated Acts contain these rules regarding the investments in securitisation positions, for example risk retention requirements relating to the originators, sponsors or original lenders, exemptions to risk retention requirements, qualitative requirements relating to insurance and reinsurance undertakings and requirements for investments in securitisation that no longer comply with the risk-retention and qualitative requirements. Furthermore the EIOPA Guideline 30 and the Explanatory Notes on EIOPA Guideline 30 on the system of governance contain measures that the undertaking could implement to ensure that interests are aligned. The measures listed there are not to be considered exhaustive. C) Regarding alternative investment funds (AIFs) and Undertakings for Collective Investment in Transferable Securities (UCITS). The AIFMD (Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010) is applicable to alternative investment funds managers (AIFMs). Article 17 AIFMD contains similar risk retention requirements as Solvency II for insurance undertakings (i.e. requirements that need to be met by the originator, the sponsor or the original lender, in order for an

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

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6. Enhanced disclosure of securitised products

Update and next steps

Highlight main developments since last year's survey

A Securitisation Regulation (Regulation (EU) 2017/2402) entered into force at the beginning of 2018 and will apply from 1 January 2019. This Regulation concerns all securitisations across regulated financial sectors and includes due diligence, risk retention and transparency rules together with the criteria for Simple, Transparent and Standardised ("STS") Securitisations (see: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R2402>). The disclosure requirements of the Securitisation Regulation and of related technical standards, which are currently under development, will replace the aforementioned EU disclosure requirements that are currently applicable.

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

AA) Regarding credit institutions: <https://eur-lex.europa.eu/legal-content/En/ALL/?uri=celex:32013R0575> and <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R2402> B) Regarding insurance and reinsurance undertakings: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138> http://eur-lex.europa.eu/legal-content/En/TXT/PDF/?uri=OJ:JOL_2015_012_R_0001 https://eiopa.europa.eu/Publications/Guidelines/Final_EN_SoG_Clean.pdf http://www.bafin.de/SharedDocs/Veroeffentlichungen/DE/Berichte/vorbereitung_solvenzy_II_04_grundsatz_der_unternehmerischen-vorsicht_va.html C) Regarding alternative investment funds (AIFs) and Undertakings for collective Investment in transferable securities (UCITs) <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011L0061&from=EN> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:083:0001:0095:en:PDF>

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7. Consistent, consolidated supervision and regulation of SIFIs

G20/FSB Recommendations

All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)

Remarks

Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs.

Jurisdictions should not provide details on policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are [monitored separately](#) by the BCBS.

See, for reference, the following documents:

BCBS

- [Framework for G-SIBs \(Jul 2013\)](#)
- [Framework for D-SIBs \(Oct 2012\)](#)

IAIS

- [Global Systemically Important Insurers: Policy Measures \(Jul 2013\) and revised assessment methodology \(updated in June 2016\)](#)
- [IAIS SRMP guidance - FINAL \(Dec 2013\)](#)
- [Guidance on Liquidity management and planning \(Oct 2014\)](#)

FSB

- [Framework for addressing SIFIs \(Nov 2011\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 1 Jan 2011 (entry into force)

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
7. Consistent, consolidated supervision and regulation of SIFIs									

Progress to date**Issue is being addressed through**

- ☐ Primary / Secondary legislation
☐ Regulation / Guidelines
☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Under EMIR and the relevant RTS the CCPs are under continuous supervision of BaFin as competent authority and Deutsche Bundesbank in its oversight function. Insurance: Mirroring the banking regulations insurance groups as well have to regularly submit to BaFin the calculation of the group solvency margin (Article 218 sec. of the Solvency II Directive), the system of governance (Article 246 of the Solvency II Directive) and a report about risk concentration (Article 244 of the Solvency II Directive), important intragroup transactions and a report about risk concentration (Article 244 of the Solvency II Directive). Within the relevant scope, financial firms have been asked to provide BaFin with a draft contingency and de-risking plan in early 2010. The results were already discussed and further work has been initiated to refine the planning.

Banking sector: On January 1, 2011 the “Bank Restructuring Act” came into effect. The EU Directive 2014/59/EU (BRRD) and its implementation in national German law (by way of the German Act on the Recovery and Resolution of Institutions and Financial Groups (Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen, SAG)) are an important part of supervision and regulation of SIFIs. The BRRD contains requirements for recovery and resolution of credit institutions and investment firms. Thereby, the Directive ensures a harmonisation of the procedures for resolving institutions at Union Level. The SAG entered into force on 1st January 2015. At the European level, the Single Resolution Mechanism Regulation has entered into force on January 1, 2016. Consequently, the Single Resolution Board (SRB) is the European resolution authority and responsible for the resolution of significant institutions as well as less-significant cross-border groups in the Eurozone, while the national resolution authority is responsible for national (non-cross-border) less significant institutions (LSIs).

With effect from 1st January 2018, the function of the national resolution authority of the Financial Market Stabilisation Agency (Bundesanstalt für Finanzmarktstabilisierung - FMSA), was incorporated into the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin). Since that date, BaFin is the national resolution authority as well as national supervisory authority, whereby the resolution directorate is organizationally separated from the supervisory directorate of the BaFin. The supervisory directorate is responsible for the ongoing supervision (regarding SIs in its role as part of the SSM), including the assessment of recovery plans (according the national implementation of the BRRD, in agreement with the Deutsche Bundesbank). The resolution directorate is responsible for drawing up of the resolution plans as well as the assessment of the resolvability of the respective banks, in this context, the resolution directorate consults the supervisory directorate. Moreover, usually the responsible supervisory authority determines whether an institution is failing or likely to fail after consulting the responsible resolution authority. Finally, provided that all conditions for resolution are fulfilled, the resolution authority applies the resolution tools to the respective institutions.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**



I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
7. Consistent, consolidated supervision and regulation of SIFIs									

Update and next steps	
Highlight main developments since last year's survey The Ongoing Monitoring Guideline ("Aufsichtsrichtlinie") has been updated on 19 December 2016. The main changes relate to the SSM.	Planned actions (if any) and expected commencement date Banking sector: In line with the SRM Regulation, IRT members nominated by BaFin are cooperating with colleagues from SRB and other national resolution authorities to implement the SRM working priorities for 2018 and the following years (published on the website of the SRB). The focus is to expand the resolution planning activities for all SRB home banks, to draft BRRD compliant resolution plans and to identify potentially significant impediments. BaFin has also started the resolution planning (including the assessment of resolvability) for non-cross-border LSIs. Central Counterparties (CCPs) / Central Security Depository (CSD): BaFin is contributing to the respective policy work, has started the resolution planning for the major CCP and the CSD incorporated in Germany. Insurance sector: BaFin is examining whether the currently available instruments for recovery and resolution are sufficient for the national insurance sector or if additional ones are needed. According to primary estimations, preventive recovery plans 
Relevant web-links	
Web-links to relevant documents	BRRD Umsetzungsgesetz: http://www.bundesfinanzministerium.de/Content/DE/Downloads/Gesetze/2014-12-18-BRRD-Umsetzungsgesetz.pdf?__blob=publicationFile&v=5

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8. Establishing supervisory colleges and conducting risk assessments									

G20/FSB Recommendations

To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)

We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2017 IMN survey. The BCBS and IAIS will be monitoring implementation progress in this area with respect to banks and insurers respectively.

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9. Supervisory exchange of information and coordination

G20/FSB Recommendations

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)

Enhance the effectiveness of core supervisory colleges. (FSB 2012)

Remarks

Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the [September 2012](#) BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.

Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).

Progress to date

- ☐ Not applicable
- ☐ Applicable but no action envisaged at the moment
- ☐ Implementation ongoing
- ☒ Implementation completed as of 2011. For CCPs in 2011

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I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
9. Supervisory exchange of information and coordination									

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☐ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions Other actions: BaFin has established a cross-sectoral risk committee that analyses and monitors cross-sectoral and major sector-specific risks that might pose a threat to financial stability. As well, it constitutes the internal interface between micro- and macroprudential financial supervision. Furthermore, the BaFin risk committee coordinates BaFin-positions on recommendations of the Financial Stability Committee particularly regarding to the usage of macro-prudential instruments. The BaFin risk committee consists of participants of each of BaFin's directorates and high-level representatives from Deutsche Bundesbank. It meets on a quarterly basis. Within each of BaFin's directorates exist structures that monitor sector-specific risks and transfer relevant information into the cross-sectoral risk committee: In BaFin's Banking Supervision Directorate there have been implemented structures that are responsible for collecting and analysing information and undertaking best practice studies. As well, it facilitates coordination with the Banking Supervision Directorate of Deutsche Bundesbank (e.g. Committee for the ongoing supervision / GLA, Working Group on risk-oriented supervision). Bundesbank's Risk Analysis Division (as part of the Banking Supervision Directorate) cooperates closely with the BaFin regarding risk analysis projects or banking sector surveys. In BaFin's Insurance Supervision Directorate risk identification, risk-analysis and risk-monitoring are carried out by a special section dealing with the risk orientation of insurance supervision. BaFin's Securities Supervision Directorate has set up a working group to identify, monitor and address systemic risks resulting from the securities markets. The Commission Implementing Regulation 620/2014 and the Commission Delegated Regulation (EU) No. 524/2014 - both coming into effect in the first half of 2014 - contributed to enhanced and more detailed information, communication and cooperation of competent and relevant NCAs with regard to the banking groups foreign activities. In addition to regular bilateral contacts, supervisory colleges, especially core colleges, are also a major tool for the exchange of information and coordination among competent NSAs regarding individual institutions. Overarching issues in contrast are addressed through many multilateral initiatives, for example the new European Supervisory Authorities (i.e. EBA, EIOPA and ESMA) the BCBS, FSB working groups, IAIS, etc. Since the implementation of the SSM in November 2014, there is also a steady flow of information between BaFin/Bundesbank and the ECB via the Joint Supervisory Teams and several working groups. At the end of 2014, Germany has signed bilateral MoUs with more than 60 NSAs in the banking sector and some 30 NSAs in the insurance sector and more than 40 in the securities sector. For CCPs: Exchange of CCP related information to College members (including ESMA) and ECB. The College members and the ECB have therefore signed written agreements and bilateral MoUs with BaFin.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
9. Supervisory exchange of information and coordination									

Update and next steps	
Highlight main developments since last year's survey	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	

I II

III. Enhancing supervision

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X

10. Strengthening resources and effective supervision

G20/FSB Recommendations

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)

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)

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)

Remarks

Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB [thematic peer review report on supervisory frameworks and approaches to SIBs \(May 2015\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
10. Strengthening resources and effective supervision									

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☐ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions In order to operationalize these measures, BaFin created new FTEs across all relevant sections to strengthen both supervision and to build up a section for financial technological innovations in the department “Strategy and Risk”. It reports to the President of BaFin. This section is inter alia supposed to develop an approach on how to deal with financial innovation and find appropriate answers for the complex questions affecting this industry. Furthermore, the interdisciplinary FinTech-network within BaFin (with colleagues from banking, insurance, securities markets supervision as well as consumer protection, anti-money laundering, unauthorized business, communications, international affairs and strategy and risk) is institutionalized within BaFin’s “Hub-and-spoke” concept. As a second major step, BaFin has created a new group in its organizational structure focussing on cyber security. Next to general questions of cyber security the group is concerned with the supervision of payment service providers and with IT supervision. Deutsche Bundesbank is helping FinTech firms by answering any inquiries regarding the necessity of obtaining a license for their services. Firms seeking guidance on their business model have always had the opportunity to contact the regional branches of Bundesbank, which are responsible for giving advice on the classification of business models with regards to any necessary regulatory requirements. At the beginning of 2016 Bundesbank has informed publicly on its web page about this service and provided all necessary contact details for firms being interested. Since then the regional Branches of Bundesbank have frequently been contacted by firms seeking guidance on their business models. Additionally Bundesbank is involved in various international and national working groups dealing with FinTech. The international working groups are at the Basel, ECB or ESA level. On the national level several working groups between Bundesbank and BaFin are dealing with questions regarding FinTech in their respective areas. To observe ongoing developments in the area of FinTech, Bundesbank is taking part in many national and international conferences. Other actions: BaFin is about to publish strategic qualification profiles regularly within the wider framework of its annual control circuit. These profiles are de-rived from the existing skill set and adapted to projected requirements, objectives and emerging supervisory practices over the short- and medium-term. The use of resources is subject to BaFin’s strategic prioritization. Key criterion is the expected outlay, which the respective regulation project will cause in the local financial sector. In order to fill the gap between existing and necessary skills and competencies, BaFin regularly offers relevant trainings and other relevant activities to its employees. These trainings and activities are planned in a regular HR-Process. This HR-Process includes the analysis of competency requirements. In order to secure and further promote skills, BaFin and Bundesbank meet the training needs of its banking supervision staff with various inhouse, ESCB-wide and external training opportunities (including ECS and FSI in Basel).	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

	I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
10. Strengthening resources and effective supervision										

Update and next steps	
Highlight main developments since last year's survey FinTech project and network, new FinTech section within BaFin.	Planned actions (if any) and expected commencement date European CCP Recovery and Resolution Regulation

Relevant web-links	
Web-links to relevant documents	https://www.bafin.de/EN/Aufsicht/FinTech/fintech_node_en.html

I II III

IV. Building and implementing macroprudential frameworks and tools

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11. Establishing regulatory framework for macro-prudential oversight

G20/FSB Recommendations

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 and private pools of capital to limit the build up of systemic risk. (London)

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)

Remarks

Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis.

Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 01.01.2013

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

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☐ Final rule (for part of the reform) in force since

I	II	III	IV. Building and implementing macroprudential frameworks and tools	V	VI	VII	VIII	IX	X
11. Establishing regulatory framework for macro-prudential oversight									

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☐ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions Other actions: Since 1 January 2013, the Act on the Strengthening of German Financial Supervision is in force. It contains the Financial Stability Act (FinStabG): - The Financial Stability Committee has been installed encompassing three voting members of the Ministry of Finance (MOF, Chair), Deutsche Bundesbank and BaFin, each. Since January 2018, the Federal Agency for Financial Market Stabilisation has been integrated into BaFin. The Chief Executive Director of BaFin's resolution directorate is a non-voting member of the Financial Stability Committee. The committee meets quarterly (first meeting in March 2013). The committee's tasks resemble those of the ESRB, but with a national focus. - The FinStabG confers a financial stability mandate upon the FSC, with a prominent role for Deutsche Bundesbank (incl. right of veto in decisions on warnings and recommendations). - The FinStabG establishes reporting requirements and fosters information sharing within and between relevant institutions. - The FinStabG responds to experiences gathered in the course of the most recent financial crisis and in particular to Recommendation ESRB/2011/3 Cf. also #12.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

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11. Establishing regulatory framework for macro-prudential oversight

Update and next steps

Highlight main developments since last year's survey

Planned actions (if any) and expected commencement date

Macro-prudential analyses, risk identification processes and macroprudential instruments will be further enhanced - also taking account of discussions in international fora. BaFin's joint cross-sectoral risk committee continues its structured dialogue in its quarterly meetings in cooperation with the Deutsche Bundesbank. The regulatory reporting was under review to take into account the lessons learnt from the financial crisis. The new reporting regime is to be adopted in the coming month and will strengthen data coverage in several fields (e.g. earnings, large exposures). The creation of legal regulations with respect to the FSC Recommendation on new instruments for regulating loans for the construction or purchase of residential real estate, AFS/2015/1, has been completed pursuant Art. 48u KWG (German Banking Act).

Relevant web-links

Web-links to relevant documents

Financial Stability Act :http://www.bundesbank.de/Redaktion/EN/Downloads/Bundesbank/Tasks_and_organisation/bundesbank_act_monitoring_financial_stability.pdf?__blob=publicationFile ESRB Recommendation ESRB/2011/3: http://www.esrb.europa.eu/pub/pdf/recommendations/2011/ESRB_2011_3.en.pdf?38c057b902aaa3e860b27c96df848eb3

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IV. Building and implementing macroprudential frameworks and tools

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12. Enhancing system-wide monitoring and the use of macro-prudential instruments

G20/FSB Recommendations

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)

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)

Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)

Remarks

Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.

Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness.

See, for reference, the following documents:

- FSB-IMF-BIS progress report to the G20 on [Macroprudential policy tools and frameworks \(Oct 2011\)](#)
- CGFS report on [Operationalising the selection and application of macroprudential instruments \(Dec 2012\)](#)
- IMF staff papers on [Macroprudential policy, an organizing framework \(Mar 2011\)](#), [Key Aspects of Macroprudential policy \(Jun 2013\)](#), and [Staff Guidance on Macroprudential Policy \(Dec 2014\)](#)
- IMF-FSB-BIS paper on [Elements of Effective Macroprudential Policies: Lessons from International Experience \(Aug 2016\)](#)
- CGFS report on [Experiences with the ex ante appraisal of macroprudential instruments \(Jul 2016\)](#)
- CGFS report on [Objective-setting and communication of macroprudential policies \(Nov 2016\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 2013

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

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12. Enhancing system-wide monitoring and the use of macro-prudential instruments

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☐ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

An early warning model shall be used in complementing the Bundesbank's toolkit for risk assessments, for instance those reported to the FSC (AFS). The Bundesbank is also further developing a risk dashboard and a heatmap which will be used to identify and track the build-up of risks and vulnerabilities in the financial system. The national heatmap and risk dashboard are closely related to the corresponding ESRB instruments which are currently being revised and updated (e.g. Country Risk Analysis Report CRAR). The Bundesbank is actively involved in this process through the participation in the respective ESRB working groups and task force teams. This involvement includes the selection of indicators, the threshold methodology as well as the design for the visualization software. The final roll-out for the new heatmap is scheduled for 2018. Other actions: On the newly established - high-level Financial Stability Committee, please refer to answer #11 above. Monitoring capital market and asset prices and assessing their implications for the financial system and the macro-economy at large is part of financial macroprudential analyses in relevant German authorities, in particular Deutsche Bundesbank and BaFin in line with their respective mandates. A leverage ratio reporting requirement was introduced into German supervisory law as an indicator under Pillar 2. In its meeting in June 2015, the Financial Stability Committee (FSC) recommended that the federal government shall initiate the creation of a legal basis which would allow the Federal Financial Supervisory Authority (BaFin) to introduce minimum requirements for the credit-based financing of residential property purchases (including the minimum amount of equity that must be provided and minimum debt repayment rates), should such rules be regarded as necessary in the future. In this way, risks to financial stability arising from excessive debt and price bubbles on the real estate market can be limited (FSC Recommendation on new instruments for regulating loans for the construction or purchase of residential real estate, AFS/2015/1,). Legislation enabling BaFin to impose upon lenders certain minimum standards for the granting of new loans for the construction or acquisition of residential property when necessary for financial stability purposes, namely an upper limit for the ratio between all debt resulting from a residential property financing transaction and the market value of the residential property (loan-to-value ratio, LTV) and an amortisation requirement, entered into force in Germany on 10 June 2017.

Moreover, BaFin has set a countercyclical capital buffer of 0% for Germany in 2016. The countercyclical buffer rate is reviewed regularly. Adjustments to the rate of 0% have so far not been necessary. The decision about setting the buffer is based on an analysis of a variety of indicators. In particular the development of the credit-to-GDP gap, i.e., the deviation in the ratio of lending to gross domestic product from its longterm trend, plays a decisive role. Deutsche Bundesbank provides a detailed description of the methodology for the German CCyB and the indicator set in a published analytical paper.

In addition, Germany has introduced a buffer for other systemically important institutions (OSII buffer). The buffer is effective from 01 January 2017 onwards and is currently affecting 13 institutions. The decision about setting the buffer is based on an analysis of a variety of factors, which can be separated in the categories +

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

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12. Enhancing system-wide monitoring and the use of macro-prudential instruments

Update and next steps

Highlight main developments since last year's survey

Planned actions (if any) and expected commencement date

For actions planned, please refer to the EU-COM answer! The national transposition of the CRD IV entered into force in January 2014. The FSC reviews its macro-prudential toolbox on an on-going basis.

Relevant web-links

Web-links to relevant documents

<http://www.bundesfinanzministerium.de/Content/EN/Downloads/2015-06-30FSC-Recommendation.html> Decision concerning the countercyclical capital buffer:
http://www.bafin.de/EN/Aufsicht/BankenFinanzdienstleister/Eigenmittelanforderungen/Kapitalpuffer/ccb_artikel.html Analytical framework of the counter-cyclical capital buffer:
https://www.bundesbank.de/Redaktion/EN/Topics/2015/2015_11_25_more_capital_to_counter_crises.html
https://www.bafin.de/EN/PublikationenDaten/Datenbanken/ASRI/asri_artikel_en.html Transposition of EMIR into German law (German only):
http://www.bgbl.de/Xaver/text.xav?bk=Bundesanzeiger_BGBI&start=%2F%2F%5B%40attr_id%3D'bgbl113006.pdf'%5D&wc=1&skin=WC#_Bundesanzeiger_BGBI_%2F%2F%5B%40attr_id%3D'bgbl113006.pdf'%5D_1377103917492



I II III IV

V. Improving oversight of credit rating agencies (CRAs)

VI VII VIII IX X

13. Enhancing regulation and supervision of CRAs

G20/FSB Recommendations

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)

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)

Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)

We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)

Remarks

Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:

- [Code of Conduct Fundamentals for Credit Rating Agencies \(Mar 2015\)](#) (including on governance, training and risk management)

Jurisdictions may also refer to the following IOSCO documents:

- Principle 22 of [Principles and Objectives of Securities Regulation \(Jun 2010\)](#) which calls for registration and oversight programs for CRAs
- [Statement of Principles Regarding the Activities of Credit Rating Agencies \(Sep 2003\)](#)
- [Final Report on Supervisory Colleges for Credit Rating Agencies \(Jul 2013\)](#)

Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of December 2009

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
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	I	II	III	IV	V. Improving oversight of credit rating agencies (CRAs)	VI	VII	VIII	IX	X
13. Enhancing regulation and supervision of CRAs										

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☐ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions For information on CRA regulation and supervision, please refer to the EU-COM answer.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

	I	II	III	IV	V. Improving oversight of credit rating agencies (CRAs)	VI	VII	VIII	IX	X
13. Enhancing regulation and supervision of CRAs										

Update and next steps	
Highlight main developments since last year's survey Please refer to the EU-COM answer.	Planned actions (if any) and expected commencement date For actions planned, please refer to the EU-COM answer!

Relevant web-links	
Web-links to relevant documents	CRA III: http://eurlex.europa.eu/LexUriServ/LexUriServ.do Relevant documents since last year's survey : ITS on corporate ECAI mapping : http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1799&from=EN ITS on insurance ECAI mapping: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1800&from=EN ITS on securitisation ECAI mapping : http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1801&from=EN

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V. Improving oversight of credit rating agencies (CRAs)

VI VII VIII IX X

14. Reducing the reliance on ratings

G20/FSB Recommendations

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)

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)

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)

We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that would enhance transparency of and competition among credit rating agencies. (Los Cabos)

We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)

Remarks

Jurisdictions should indicate the steps they are taking to address the recommendations of the [May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings](#), including by implementing their [agreed action plans](#). Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.

Jurisdictions may refer to the following documents:

- FSB [Principles for Reducing Reliance on CRA Ratings \(Oct 2010\)](#)
- FSB [Roadmap for Reducing Reliance on CRA Ratings \(Nov 2012\)](#)
- BCBS [Basel III: Finalising post-crisis reforms \(Dec 2017\)](#)
- IAIS [ICP guidance](#) 16.9 and 17.8.25
- IOSCO [Good Practices on Reducing Reliance on CRAs in Asset Management \(Jun 2015\)](#)
- IOSCO [Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the Use of External Credit Ratings \(Dec 2015\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 21.12.2014 (supplement)

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

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	I	II	III	IV	V. Improving oversight of credit rating agencies (CRAs)	VI	VII	VIII	IX	X
14. Reducing the reliance on ratings										

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☐ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions For information on Art. 5a of CRA Regulation (Overreliance on credit ratings by financial institutions), please refer to the EU-COM answer. German Federal Act to Reduce Overreliance on Ratings: (cont.) In Germany the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) is the Sectoral Competent Authority (SCA) within the meaning of Article 25a of Regulation (EC) No 1060/2009 (CRA Regulation). It is set out in Section 29(1) of the Banking Act (Kreditwesengesetz - KWG) and as well in Section 35(1) of the Insurance Supervision Act (Versicherungsaufsichtsgesetz - VAG) and Section 89(1) of the Securities Trading Act (Wertpapierhandelsgesetz - WpHG), that external auditors shall determine whether the credit institutions, the insurance undertakings and the investments firms have fulfilled the requirements of Art. 5a of the CRA Regulation. The audit reports have to be submitted to the BaFin.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

	I	II	III	IV	V. Improving oversight of credit rating agencies (CRAs)	VI	VII	VIII	IX	X
14. Reducing the reliance on ratings										

Update and next steps	
Highlight main developments since last year's survey n/a	Planned actions (if any) and expected commencement date Day-to-day implementation of the Good Supervisory Practices for Reducing Mechanistic Reliance on Credit Ratings (published in 2016 by the Joint Committee of the three European Supervisory Authorities).

Relevant web-links	
Web-links to relevant documents	German Federal Act to Reduce Overreliance on Ratings, adopted in December 2014: http://www.bgb1.de/xaver/bgb1/start.xav?s_tartbk=Bundesanzeiger_BGBI&jumpTo=bgb114s2085.pdf Technical Advice on Reducing Sole and Mechanistic Reliance on Credit Ratings. Relevant documents since last year's survey : Good Supervisory Practices for Reducing Mechanistic Reliance on Credit Ratings: https://esas-joint-commit-tee.europa.eu/Publications/Reports/JC%202016%2071%20Final%20Report%20Good%20Supervisory%20Practices%20for%20Reducing%20Mechanistic%20Reliance%20on%20Credit%20Ratings.pdf

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VI. Enhancing and aligning accounting standards

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15. Consistent application of high-quality accounting standards

G20/FSB Recommendations

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)

Remarks

Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards.

Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: <http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx>.

As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value recognition, measurement and disclosure.

In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.

See, for reference, the following BCBS documents:

- [Supervisory guidance for assessing banks' financial instrument fair value practices \(Apr 2009\)](#)
- [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#)
- [Regulatory treatment of accounting provisions - interim approach and transitional arrangements \(March 2017\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 15.12.2004 ("Accounting")

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

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I	II	III	IV	V	VI. Enhancing and aligning accounting standards	VII	VIII	IX	X
15. Consistent application of high-quality accounting standards									

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☐ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions For more information, please refer to the EU-COM answer!	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

	I	II	III	IV	V	VI. Enhancing and aligning accounting standards				VII	VIII	IX	X
15. Consistent application of high-quality accounting standards													

Update and next steps	
Highlight main developments since last year's survey Publication of EBA final guidelines on credit institutions' credit risk management practices and accounting for expected credit losses.(May 2017) Publication of EBA final guidelines on disclosure requirements of IFRS 9 transitional arrangements (Jan 2018) Publication of FREP (Financial Reporting Enforcement Panel) enforcement priorities for 201820182018 (Nov 201720172017).	Planned actions (if any) and expected commencement date For actions planned, please refer to the EU-COM answer!

Relevant web-links	
Web-links to relevant documents	Web-links to relevant documents https://www.eba.europa.eu/documents/10180/1842525/Final+Guidelines+on+Accounting+for+Expected+Credit+Losses+%28EBA-GL-2017-06%29.pdf https://www.eba.europa.eu/documents/10180/2082000/Final+Report+on+Guidelines+on+uniform+disclosure+of+IFRS9+transitional+arrangements+%28EBA-GL-2018-01%29.pdf http://www.frep.info/docs/pressemitteilungen/2017/20171123_pm_en.pdf

I II III IV V VI

VII. Enhancing risk management

VIII IX X

16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

G20/FSB Recommendations

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)

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)

Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)

We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)

Remarks

Jurisdictions should indicate the measures taken in the following areas:

- guidance to strengthen banks' risk management practices, including BCBS good practice documents ([Corporate governance principles for banks](#), [External audit of banks](#), and the [Internal audit function in banks](#));
- measures to monitor and ensure banks' implementation of the BCBS [Principles for Sound Liquidity Risk Management and Supervision \(Sep 2008\)](#);
- measures to supervise banks' operations in foreign currency funding markets;¹ and
- extent to which they undertake stress tests and publish their results.

Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital requirements for CCPs), since these are [monitored separately by the BCBS](#).

¹ Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 27th October 2017

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I II III IV V VI

VII. Enhancing risk management

VIII IX X

16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☐ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Germany has transposed the FSB and BCBS recommendations in the Minimum Requirements for Risk Management ("Mindestanforderungen an das Risikomanagement", MaRisk; revised version for the banking sector published on 27.10.2017, circular 09/2017 (BA)) for financial institutions. Inter alia, the MaRisk require financial institutions to have sound stress testing practices in place as well as funding plans in place. Stress test results must be taken into account as part of the institutions' internal capital adequacy assessment process and internal liquidity adequacy assessment process. Accordingly, bank's stress testing practices form part of BaFin's, Deutsche Bundesbank's and ECB's Supervisory Review and Evaluation Process (SREP). This information allows together with the LCR, NSFR and the additional liquidity monitoring metrics a thorough scrutiny of bank's risk management approaches in the SREP. LCR and NSFR components are also part of the guidance for the regular compilation of the risk profile of an institution and taken into account when judging an institution's liquidity management. In case of inadequate implementation banks are required to take remedial action. The implementation is then closely supervised. Principles for effective risk data aggregation and risk reporting (BCBS 239): BaFin and Bundesbank have transposed the requirements into national requirements and supervisory practice via the above mentioned amendment of the Minimum Requirements for Risk Management (other main issues addressed in the amendment are outsourcing, risk culture, credit- and operational risk management,). With regard to the reporting on Asset Encumbrance, a monitoring framework of the ITS data on Asset Encumbrance covering all German institutions pursuant to Article 100 in conjunction with Article 4 para. 1 no. 1 of Regulation (EU) No 575/2013 and para. 1 of Article 1a of the German Banking Act has been implemented in Q1 2015 to assess the level, evolution and types of asset encumbrance and related sources of encumbrance. In this context, in-depth analyses based on the ITS data have been conducted and will be updated on a regular basis. Data collection based on the EBA guidelines on harmonised definitions and templates for funding plans of credit institutions under Recommendation A4 of ESRB/2012/2 (EBA/GL/2014/04) have been conducted since 2015 on an annual basis and will be repeated on an annual basis in the future (year-end data). Banking sector robust stress testing for institutions is required by the Minimum requirements for risk management. Supervisory stress tests are conducted on a regular basis. Germany participates in the EU stress tests conducted by EBA and ECB.

Insurance sector: The insurance undertakings conduct regularly and when circumstances require company specific stress tests. The company specific stress tests have to be appropriate to their individual risk profile. Since 2013 Germany participates in the pan-European stress test of EIOPA. A new minimum market coverage and new selection requirements concerning the EIOPA stress test has been agreed for in 2016. According to these criteria, the national market coverage, based on the technical gross provisions for life insurance business, had to be at least 75%. Inclusion of unit- and index-linked business was not permitted. EIOPA also determined that in addition to large insurance undertakings, small and medium-sized insurers should also participate in the test. However, insurers with a national market coverage of under 1% or technical gross provisions of less than 50 million euros were excluded. Based on these criteria, 20 life insurance undertakings

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

	I	II	III	IV	V	VI	VII. Enhancing risk management				VIII	IX	X
16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks													

Update and next steps	
Highlight main developments since last year's survey Enhanced guidance on effective risk data aggregation and risk reporting (amendment of MaRisk published in October 2017; BaFin circular 09/2017 (BA).	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	https://www.bafin.de/SharedDocs/Veroeffentlichungen/DE/Rundschreiben/2017/rs_1709_marisk_ba.html

I II III IV V VI

VII. Enhancing risk management

VIII IX X

17. Enhanced risk disclosures by financial institutions

G20/FSB Recommendations

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)

We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)

Remarks

Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on [Enhancing the Risk Disclosures of Banks](#) and [Implementation Progress Report by the EDTF \(Dec 2015\)](#), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.

In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the [Impact of Expected Credit Loss Approaches on Bank Risk Disclosures \(Nov 2015\)](#), as well as the recommendations in Principle 8 of the BCBS [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#).

In their responses, jurisdictions should not provide information on the implementation of Basel III Pillar 3 requirements, since this is [monitored separately](#) by the BCBS.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of January 2007 (Effective)

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

	I	II	III	IV	V	VI	VII. Enhancing risk management	VIII	IX	X
17. Enhanced risk disclosures by financial institutions										

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☒ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions Other actions: German supervisory authorities have strongly advised the relevant international banks and insurance companies to adhere to this recommendation and informed industry about upcoming requirements at an early stage. Information from the main financial institutions shows that important banks have significantly improved their respective disclosure practices.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

I II III IV V VI

VII. Enhancing risk management

VIII IX X

17. Enhanced risk disclosures by financial institutions

Update and next steps

Highlight main developments since last year's survey

Meanwhile on 14 Dec 2016 EBA has published Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013. These Guidelines form the European implementation of the Revised pillar 3 disclosure requirements (from Basel). The Guidelines apply from 31 December 2017, but G-SIIs are encouraged to comply with a subset of those Guidelines as soon as 31 December 2016.

Technical amendments complementing the phase II of Pillar 3 requirements are currently being implemented. The amendments will require banks to disclose the transitional arrangements (TA) resulting from the introduction of the expected credit loss (ECL) model of IFRS9. The transitional arrangements will come into effect beginning January 1st, 2019, when the TA allows banks to disclose a reduced balance-sheet effect (phase-in) compared to the former accounting treatment.

[As of May 2018, no bank in Germany has indicated to make use of the transitional arrangements.]

On April 27, 2018 EBA published a consultation paper containing the Guidelines on disclosure of non-performing and forborne exposures. The deadline for responses is July 27th, 2018. The publication of the finalized guidelines is intended for October 2018 with banks applying the disclosure requirements no sooner than December 31st, 2019.

Currently under development – but due for finalization before June 30, 2018 is a circular for the national implementation of the Guideline on LCR by EBA which has been published by EBA on April 27th, 2017. It will come into effect in Germany for the first time, applying the period-end figures of Q2/2018, i.e. of June 30, 2018 which will then be disclosed by banks in a timely manner. +

Planned actions (if any) and expected commencement date

On 28 August 2013 Germany has adopted a law to implement the CRD IV (which is the European equivalent to the introduction of Basel III into European law. See: http://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBI&jumpTo=bgbl113s3395.pdf. With the CRD IV entering into force, German Banks are obliged to also implement the requirements of Pillar 3 of Basel III. While not all Pillar 3 relevant details were fully developed at this stage, the BCBS in January 2015 has adopted Revised Pillar 3 disclosure requirements. See: <http://www.bis.org/bcbs/publ/d309.pdf> The Revised Pillar 3 disclosure requirements is the BCBS's response to enhanced disclosure requirements. The Working Group to develop these requirements (WGD) assessed in Phase I the existing recommendations of the Enhanced Disclosure Task Force of 2012. According to The Revised Pillar 3 disclosure requirements it is envisaged that "... (ie banks will be required to publish their first Pillar 3 report under the revised framework concurrently with their year-end 2016 financial report). The Committee encourages early adoption by individual jurisdictions." Currentl+

Relevant web-links

Web-links to relevant documents

http://www.bafin.de/SharedDocs/Downloads/DE/Protokoll/dl_050901_Anwendungsgesprache.html <http://www.bis.org/bcbs/publ/d356.pdf> (consultation period ends: June 10, 2016) EBA-Guidelines: <https://www.eba.europa.eu/documents/10180/1696202/Final+report+on+the+Guidelines+on+disclosure+requirements+under+Part+Eight+of+Regulation+575+2013+%28EBA-GL-2016-11%29.pdf/20370623-9400-4b5e-ae22-08e5baf4b841> Re: CRD IV implementation (= Basel III implementation): CRD IV Implementation Act: http://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBI&jumpTo=bgbl113s3395.pdf Re: Implementation of Basel III Guidelines by Deutsche Bundesbank: http://www.bundesbank.de/Redaktion/DE/Downloads/Veroeffentlichungen/Bericht_Studie/bankenaufsicht_basel3_leitfaden.pdf?__blob=publicationFile Re: Requirements of Pillar 3 of Basel III. <http://www.bis.org/bcbs/publ/d309.pdf> Re: Phase 2 of the Consolidated and Enhanced Framework +

I II III IV V VI VII

VIII. Strengthening deposit insurance

IX X

18. Strengthening of national deposit insurance arrangements

G20/FSB Recommendations

National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)

Remarks

Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system.

All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI [Core Principles for Effective Deposit Insurance Systems](#) (November 2014).

In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance (based on IADI's 2016 [Handbook](#)) with the revised Core Principles:

- If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps;
- If not, jurisdictions should indicate any plans to undertake a self-assessment exercise.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of On 3 July 2015 the n⁺

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

	I	II	III	IV	V	VI	VII	VIII. Strengthening deposit insurance				IX	X
18. Strengthening of national deposit insurance arrangements													

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☒ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions According to the Act on Deposit Guarantee Schemes, ongoing supervision of deposit guarantee schemes by BaFin is mandatory. BaFin is empowered to counteract irregularities that may impair the proper handling of the compensation or jeopardise the assets accumulated for paying compensation. BaFin also monitors whether national regulation complies with international principles. To this end, BaFin and Deutsche Bundesbank regularly receive broad information on the national deposit guarantee schemes (such as: on risk oriented contribution systems, monitoring procedures within the guarantee schemes, financial statements, stresses and strains of the funds).	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

	I	II	III	IV	V	VI	VII	VIII. Strengthening deposit insurance				IX	X
18. Strengthening of national deposit insurance arrangements													

Update and next steps	
Highlight main developments since last year's survey	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	http://www.gesetze-im-internet.de/einsig/ http://www.gesetze-im-internet.de/entschfinv/ http://www.eba.europa.eu/regulation-and-policy/recovery-and-resolution/guidelines-on-payment-commitments http://www.eba.europa.eu/regulation-and-policy/recovery-and-resolution/guidelines-on-methods-for-calculating-contributions-to-deposit-guarantee-schemes-dgss- http://einlagensicherung.de/

I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

19. Enhancing market integrity and efficiency**G20/FSB Recommendations**

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)

Remarks

Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.

Jurisdictions should indicate the progress made in implementing the recommendations:

- in relation to dark liquidity, as set out in the IOSCO [Report on Principles for Dark Liquidity \(May 2011\)](#).
- on the impact of technological change in the IOSCO [Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency \(Oct 2011\)](#).
- on market structure made in the IOSCO Report on [Regulatory issues raised by changes in market structure \(Dec 2013\)](#).

Progress to date

- ☐ Not applicable
- ☐ Applicable but no action envisaged at the moment
- ☐ Implementation ongoing
- ☒ Implementation completed as of 3rd January 2018

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
- ☐ Draft published as of
- ☐ Final rule or legislation approved and will come into force on
- ☐ Final rule (for part of the reform) in force since

I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

19. Enhancing market integrity and efficiency

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Implementation of MiFID 2 rules on algorithmic and high frequency trading into German legislation is completed, rules already implemented by the German High Frequency Trading Act in 2013 have been amended accordingly. The new legislation is applicable as of 3. January 2018. The Guidelines on the calibration, publication and reporting of trading halts, published 27th of June 2017, aims to provide guidance on: the calibration of trading halts; the dissemination of information regarding the activation of mechanisms to manage volatility on a specific trading venue; and the procedure and format to submit the reports on trading halts' parameters from National Competent Authorities (NCAs) to ESMA. Germany complies with that Guideline. Other actions: Germany adheres to the international recommendations, e.g. suitable trading control mechanisms to deal with volatile market conditions are well known in the German trading landscape, e.g. so called volatility interruptions and appropriate control mechanisms for order flow are in place, e.g. so called "naked sponsored access" would generally not be permitted. The operation of dark pools in the EU (trading venues that provide for exceptions of pretrade transparency requirements) needs according to MiFIR a specific permission. This permission, so called "waiver" would only in specific and limited circumstances be granted by NCAs and would be assessed on EU/ESMA level. In order to ensure that the use of waivers does not unduly harm price formation, trading under certain waivers (namely negotiated transaction waivers) will be suspended for a certain time if specific trading thresholds are reached (double volume cap mechanism). MiFIR provides for deferred publication of post-trade information under discretion of NCAs, in line with that BaFin has granted deferrals till the end of 2018. ESMA has issued a number of Q&As with respect to market structure and transparency issues on the basis of MiFID 2 / MiFIR level 1 and level 2 legislation. In addition BaFin supports in principle all respective initiatives on EU level. For more information on these initiatives, please refer to the EU-COM answer.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

	I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets										X
19. Enhancing market integrity and efficiency																			

Update and next steps	
Highlight main developments since last year's survey Work on the implementation of the relevant MiFID 2 rules into national legislation is now completed.	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm http://www.esma.europa.eu/system/files/2012-128.pdf https://www.esma.europa.eu/sites/default/files/library/esma70-872942901-35_qas_transparency_issues.pdf https://www.esma.europa.eu/sites/default/files/library/esma70-872942901-38_qas_markets_structures_issues.pdf

I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

20. Regulation and supervision of commodity markets

G20/FSB Recommendations

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)

We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)

Remarks

Jurisdictions should indicate whether commodity markets of any type exist in their national markets.

Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on [Principles for the Regulation and Supervision of Commodity Derivatives Markets \(Sep 2011\)](#).

Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the [update to the survey](#) published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 3 January 2018

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

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☐ Draft published as of
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☐ Final rule (for part of the reform) in force since

	I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets					X
20. Regulation and supervision of commodity markets														

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☐ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions According to current EU-legislation, directly applicable rules for market manipulation (Art. 15 EU-Market Abuse Regulation-MAR) and insider dealing (Art. 14 EU-Market Abuse Regulation-MAR) apply both to commodities and commodity derivatives (). Furthermore rules for disclosing of inside information apply to commodity derivatives (Art. 17, Art. 3 para 1 No. 1 MAR). Further strengthening of the regulatory framework regarding commodities and commodity derivative and European harmonisation has been achieved by the new Markets in Financial Instruments Directive and Regulation (MiFID II, MiFIR). Germany supports the aforementioned regulatory framework and has adjusted its national rules in alignment with MiFID II requirements. For more information on MiFID, please refer to the EU-COM answer.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets			X
20. Regulation and supervision of commodity markets											

Update and next steps	
Highlight main developments since last year's survey Implementation of MIFID II requirements regarding commodity derivatives into national law (in particular Securities Trading Act (WpHG)) is completed.	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0600-20160701&from=EN http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014L0065-20160701&from=EN https://www.gesetze-im-internet.de/wphg/

I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets	X
21. Reform of financial benchmarks									

G20/FSB Recommendations

We support the establishment of the FSB's Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO's Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)

Collection of information on this recommendation will continue to be deferred given the forthcoming FSB progress report on implementation of FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO *Principles for Financial Benchmarks*.

I II III IV V VI VII VIII IX

X. Enhancing financial consumer protection

22. Enhancing financial consumer protection

G20/FSB Recommendations

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)

Remarks

Jurisdictions should describe progress toward implementation of the OECD's [G-20 high-level principles on financial consumer protection \(Oct 2011\)](#).

Jurisdictions may also refer to OECD's [September 2013 and September 2014 reports](#) on effective approaches to support the implementation of the High-level Principles. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation.

Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I II III IV V VI VII VIII IX

X. Enhancing financial consumer protection

22. Enhancing financial consumer protection

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

In July 2015 a new act to better protect retail investors (Kleinanlegerschutzgesetz) came into force. BaFin now is in charge of protecting the collective interests of consumers and has the power to ensure compliance of the supervised entities. BaFin is able to ban or restrict certain financial products as well as certain financial practices in case of significant threats to consumers or to the proper functioning of financial markets or to the stability of the financial system.

On 01st August 2014 the Act on fee based investment advice on financial instruments (Honoraranlageberatungsgesetz) came into force.

On 31st July 2015 the decree for key information documents on products for pension provision was issued. It requires the provision of a KID for such products (as defined by the law on certification of products for pension provision) which makes such products more transparent vis-à-vis the consumer. At the same time, the product information centre for pension provision was established which fulfils important consumer protection duties regarding pension provision.

The law implementing Solvency II came into force on 11th April 2015 (part 1) and 1st January 2016 (part 2). The law improves policy-holders claims for contractual services. For more information please see also the respective answer of the EU-COM.

On 3rd July 2015 the implementing law on the Directive on deposit guarantee schemes (2014/49/EU) came into force. For further information on national deposit insurance arrangements please refer to No. 18.

The law implementing the amended Transparency Directive (2004/109/EU) came into force on 26th November 2015. The law harmonises the transparency requirements regarding information about issuers of securities traded on a regulated market and other continuous disclosure obligations. The law has indirect effects on financial consumer protection by keeping a consistent high level of capital markets transparency and by strengthening financial consumer protection in specific additional situations, e.g. a delisting or downlisting.

On 9th December 2015 the Regulation on European long-term investment funds (REGULATION (EU) 2015/760) came into force. The regulation aims at increasing the pool of capital available for long-term investment in the EU economy by creating a new form of fund vehicle. The law contains financial consumer protection rules like information provision requirements, e.g. for costs of the investment.

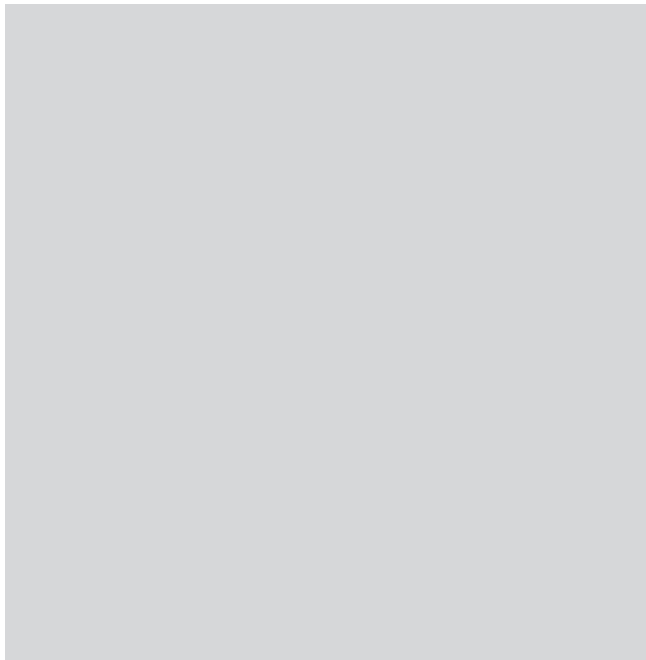
The revision of the UCITS Directive (UCITS V - 2009/65/EU) was published in the official gazette of the EU on 28th August 2014. On 18th March 2016 the German implementation law came into force. The Directive and the implementation law cover various financial consumer protection areas regarding the funds regime. For more information please see also the respective answer of the EU-COM.

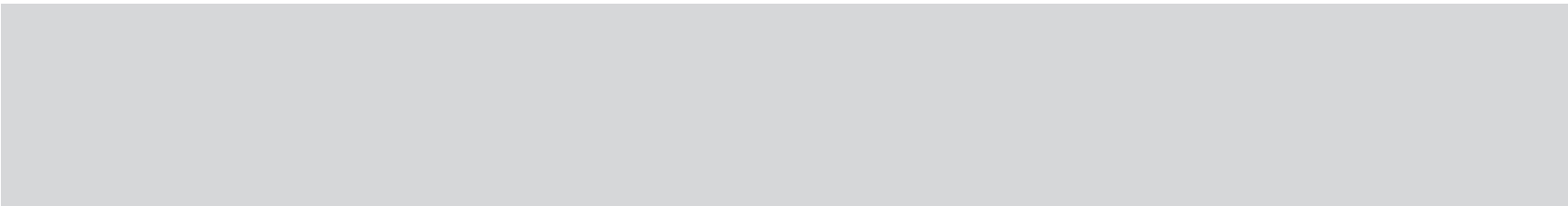
In July 2016 the First Act Amending Financial Market Regulations (Erstes Finanzmarktnovellierungsgesetz) was published in the German law gazette and thereafter gradually entered into force. The act mainly serves to implement provisions of the Market Abuse Directive and Market Abuse Regulation, the Central Securities Depositories Regulation and the Packaged Retail and Insurance-based Investment Products Regulation into German law.

A consumer advisory council has been set up by BaFin to ensure that consumer issues will play a larger role in BaFin's supervisory approach. The Consumer 

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

	I	II	III	IV	V	VI	VII	VIII	IX	X. Enhancing financial consumer protection		
22. Enhancing financial consumer protection												

Update and next steps	
Highlight main developments since last year's survey In March 2017 the German Federal Parliament adopted the Second Financial Markets Amendment Act (Zweites Finanzmarktnovellierungsgesetz). Apart from one article dealing with changes to the Securities Trading Act which will come into force on 1st July 2018, the Second Financial Markets Amendment Act came into force on 3rd January 2018. The Act transposes the revised requirements of the Markets in Financial Instruments Directive (MiFID II), the accompanying Markets in Financial Instruments Regulation (MiFIR), the Regulation on Transparency of Securities Financing Transactions (SFTR) as well as the Regulation on indices used as benchmarks in financial instruments and financial contracts (Benchmark Regulation) into national law. The relevant national act implementing the Directive 2016/97/EU on insurance distribution (IDD) is in force and became applicable on 23rd February 2018. The revised Payment Services Directive (2007/64/EU) was published in the official gazette of the EU on 23rd December 2015 and had to be implemented until 13 January 2018. The directive strengthens the financial consumer protection by, inter alia, increasing security requirements in the payment system to provide for a better abuse and fraud protection. The government draft of an act implementing the revised Payment Services Directive (Zahlungsdienstleistungsgesetz) was published on 13 March 2017 and came into force on 13th January 2018. For more information on MiFID, IDD, the revised Payment Services Directive and PRIIPS-Regulation, please refer to the EU-COM answer. The implementation of Directive 2014/92/EU (on rights to a basic bank account, the comparability of fees related to payment accounts, payment account switching) into German law is formally completed. Important parts (basic bank account) of the new Act (Zahlungskontengesetz) came into force in June 2016 (basic bank account) and in September 2016 (payment account switching). The parts relating to the information on and the comparability of fees related to payment accounts, will come into .	Planned actions (if any) and expected commencement date 

Relevant web-links	
Web-links to relevant documents 	

	I	II	III	IV	V	VI	VII	VIII	IX	X	List of abbreviations used

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Sources of recommendations

- [Hamburg: G20 Leaders' Communique \(7-8 July 2017\)](#)
- [Hangzhou: G20 Leaders' Communique \(4-5 September 2016\)](#)
- [Antalya: G20 Leaders' Communique \(15-16 November 2015\)](#)
- [Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)
- [St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)
- [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 \(1 November 2012\)](#)