

Progress in the Implementation of G20/FSB Recommendations – June 2012

Jurisdiction: SPAIN

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# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
1. Refining the regulatory perimeter						
1 (new)	Cannes	Strengthening the oversight of shadow banking	We agree to strengthen the regulation and oversight of the shadow banking system. ¹	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
				<input checked="" type="checkbox"/> Others, please specify: See short description below <input type="checkbox"/> Completed as of <p>Overview (short description) of action(s) taken: The Spanish regulation is already quite wide in its perimeter. Spanish authorities are in addition participating in international (FSB) and European projects to strengthen the regulation and oversight of the shadow banking system.</p> <p>Web-links to relevant documents:</p>		
2 (11)	(Lon)	Review of the boundaries of the regulatory	We will each review and adapt the boundaries of the	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by	<p>Planned actions (if any):</p>

¹ For this survey, the focus is exclusively on the recommendations for monitoring the shadow banking system, discussed in section 2 of the October 2011 FSB report: “Shadow Banking: Strengthening Oversight and Regulation”, which is available here: http://www.financialstabilityboard.org/publications/r_111027a.pdf.

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		framework	regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level.		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: See short description below <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: The Spanish regulation is already quite wide in its perimeter. Spanish authorities are in addition participating in international (FSB) and European projects to strengthen the regulation and oversight of the shadow banking system. Web-links to relevant documents:	Expected commencement date: Web-links to relevant documents:
(i) Hedge funds						
3 (13)	(Seoul)	Regulation (including registration) of hedge funds	We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify:	Planned actions (if any): Adaptation to the Directive 61/2011/UE on Alternative Investment Funds Managers (AIFM) and to the L2 regulations underway. Expected commencement date: June 2013

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	(Lon)	supervision on hedge funds, ...	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.	<input checked="" type="checkbox"/> Completed as of April 2007 Overview (short description) of action(s) taken: Fully implemented as for domestic hedge funds regards. While the level of hedge fund activity in Spain is rather low, implemented regulation in Spain on Hedge Funds already requires mandatory registration of both managers and hedge funds themselves. Hedge funds managers are required to disclose information on an ongoing basis to the National Securities Market Commission. Risk management procedures are disclosed to the CNMV at the outset of the project and on an ongoing basis when material changes occur. Moreover, information on leverage is disclosed to the CNMV on a regular basis. These institutions and their risk management systems are subject to oversight by the regulator periodically. Furthermore, Spanish authorities are actively participating in the new EU regulation on hedge funds. Web-links to relevant documents: http://www.cnmv.es/DocPortal/legislacion/circulares/1_2006_e.pdf	Web-links to relevant documents: http://ec.europa.eu/internal_market/investment/alternative_investment_s_en.htm#directive

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4 (14)	(Lon)	Effective oversight of cross-border funds	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.	End-2009	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of May 2002 <p>Overview (short description) of action(s) taken: The CNMV is signatory of the IOSCO Multilateral MoU on cooperation and exchange of information and is currently participating in the drafting of a new MoU on supervisory cooperation among IOSCO members.</p> <p>Web-links to relevant documents: http://www.iosco.org/library/index.cfm?section=mou_main</p>	<p>Planned actions (if any): Within the EU, the directive on alternative fund managers contains specific provisions</p> <p>Expected commencement date: June 2013</p> <p>Web-links to relevant documents:</p>
5 (15)	(Lon)	Effective management of counter-party risk associated with hedge funds	Supervisors should require that institutions which have hedge funds as their counterparties have effective risk	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>Expected commencement date:</p>

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			management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures.		<input checked="" type="checkbox"/> Others, please specify: Principles in our regulation in order to oblige the insurer (Board) to monitor and assess these types of investments. Going further, Solvency II includes very specific requirements on the subject of risk management, internal controls, etc. <input checked="" type="checkbox"/> Completed as of May 2002 Overview (short description) of action(s) taken: Spanish regulation for funds of hedge funds requires effective risk management. Web-links to relevant documents:	Web-links to relevant documents:
6 (16)	(FSF 2008)	Guidance on the management of exposures to leveraged counterparties	II.17 Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: Please see previous comment on Q 5 <input type="checkbox"/> Completed as of	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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					<p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	
(ii) Securitisation						
7 (17)	(FSB 2009)	Implementation of BCBS/IOSCO measures for securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> implement the measures decided by the Basel Committee to strengthen the capital requirement of securitisation and establish clear rules for banks' management and disclosure; 	During 2010	<p>No response required for this survey.</p> <p>Please refer to the BCBS progress report on the Basel 2.5 adoption, available at: http://www.bis.org/publ/bcbs/b2_5prog_rep_table.htm</p>	
			<ul style="list-style-type: none"> implement IOSCO's proposals to strengthen 		<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p>

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			practices in securitisation markets.		<input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Web-links to relevant documents:
8 (18)	(Lon) (Pitts)	Improvement in the risk management of securitisation, including retainment of a part of the risk of the underlying assets by securitisation sponsors or originators	The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010. Securitization sponsors or	By 2010	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of dec 2011 Overview (short description) of action(s) taken:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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			originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently.		Web-links to relevant documents: http://www.bde.es/webbde/es/secciones/normativa/circu/c-4-2011.pdf	
9 (19)	(FSF 2008)	Strengthening of regulatory and capital framework for monolines	II.8 Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: Spain is not a market with monolines operators. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
10 (20)	(FSF 2008)	Strengthening of supervisory requirements or	II.18 Regulators of institutional investors should	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by	Planned actions (if any):

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		best practices for investment in structured products	strengthen the requirements or best practices for firms' processes for investment in structured products.		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: Please see previous comment on Q 5 <input checked="" type="checkbox"/> Completed as of Dec 2009 Overview (short description) of action(s) taken: Spanish rules on investment firms and investment funds put special focus on strengthening the requirements and risk control systems (which also includes structured and complex products). Web-links to relevant documents: http://www.cnmv.es/DocPortal/legislacion/circulares/Circular_6_2009.pdf	Expected commencement date: Web-links to relevant documents:
11 (21)	(FSF 2008)	Enhanced disclosure of securitised products	III.10-III.13 Securities market regulators should work with market participants to expand information on securitised products and their underlying assets.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: The CNMV has participated in the work	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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					<p>undertaken by European regulators (CESR) and IOSCO on enhancing and expanding in a coordinating way the transparency of financial instruments.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD326.pdf http://www.iosco.org/library/pubdocs/pdf/IOSCOPD301.pdf</p>	
2. Enhancing supervision						
12 (5)	(Pitts)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: See short description below. While the Bank of Spain considers that the current scope of consolidation for banking groups is already quite wide, it is however currently</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>participating in current initiatives by the BCBS/FSB to review the scope of consolidation under the shadow banking project.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The Bank of Spain applies an intensive approach to supervision, especially in relation to those institutions which are the most relevant for the financial system. Some of the main characteristics of this approach are: (i) on site continuous monitoring with inspection teams located permanently within each institution; (ii) more intense reporting requirements and ad-hoc demand for information including periodical internal management reports; (iii) more intense review of the accounting statements, valuation of assets, etc.</p> <p>In addition, we use the methodology called “Supervision of Banks Under the Risk Based Approach” (SABER in Spanish) which provides a uniform framework of classification (qualitative rating) of banks that allows the determination of their risk profile. The supervisor risk profile, together with the systemic importance of the bank,</p>	

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					<p>determines the priority for the supervision. This priority feeds into the inspection plan for the year.</p> <p>The perimeter of consolidation of banking groups has also been quite wide. In addition, the Bank of Spain is participating in the FSB and BCBS groups related to intensity of supervision, systemically important financial institutions and shadow banking which are reviewing several aspects related to consolidated supervision and regulation.</p> <p>Web-links to relevant documents:</p>	
13 (8)	(Lon)	Establishment of Supervisory colleges	To establish the remaining supervisory colleges for significant cross-border firms by June 2009.	June 2009 (for establishing supervisory colleges)	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Solvency II assigns essential importance to Supervisory Colleges. EIOPA as member of the Colleges follows very closely their functioning and developments. The DGSFP (Dirección General de Seguros y Fondos de Pensiones) has an active</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>participation in these. The DGSFP is leader in 2 Supervisory Colleges at present. In both of them EIOPA is member. The first meeting of the Supervisory College of the first Spanish group- MAPFRE- was in 2010. This is really an international one.</p> <p><input checked="" type="checkbox"/> Completed as of 2008</p> <p>Overview (short description) of action(s) taken: The Bank of Spain has already established colleges for the Spanish largest internationally active banks (Santander and BBVA). Meetings of these colleges have been held every year since 2007 (for Santander) and since 2008 (for BBVA). The most recent meetings were held in November 2011. The next meetings will be held in May 2012. In addition, a supervisory college for Banco Popular Group has been established in November 2011 with the main purpose of reaching a joint risk assessment and decision under the auspices of the revised Capital Requirements Directive (CRD II). In 2011 the Bank of Spain has adopted as its own guidelines for supervisory colleges, issued by international bodies.</p>	

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					Web-links to relevant documents: http://www.bde.es/webbde/es/secciones/normativa/gu	
14 (8)	(Seoul)	Conducting risk assessments through international supervisory colleges	We agreed to conduct rigorous risk assessment on these firms through international supervisory colleges ...	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The Supervisory Colleges work on the identification and assessment of risks. Solvency II include a series of rules on the decision making process in relation with the European Colleges.</p> <p><input checked="" type="checkbox"/> Completed as of 2008</p> <p>Overview (short description) of action(s) taken: Since 31 December 2010, Article 129(3) of the CRD II introduces a joint decision-making process for Pillar 2 between the consolidating supervisor and supervisors of subsidiaries within the EEA. The colleges meetings of the Spanish banking groups organized in 2011 were aimed, among other points, at reaching such a joint decision taking into account the Internal Capital</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP). These joint decisions were based on a rigorous risk assessment of the banking groups and all their subsidiaries. This thorough risk assessment has been conducted since the first supervisory college meetings.</p> <p>In 2011 the Bank of Spain has adopted as its own guidelines for joint assessment and joint decision regarding the capital adequacy of cross border groups, issued by international bodies.</p> <p>Web-links to relevant documents: http://www.bde.es/webbde/es/secciones/normativa/gu</p>	
15 (9)	(FSF 2008)	Supervisory exchange of information and coordination	V.7 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	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The cooperation and exchange of information between authorities is increasing everyday in a bilateral and multilateral way. In the case of EU/EEA relations particular rules of cooperation and</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			should be improved at both national and international levels.		<p>exchange of information are established in a multilateral way (Protocols of collaboration). These aspects are considered in relation with the Supervisory Colleges as well</p> <p>In the case i.e of the Supervisory College of MAPFRE a secure platform for the exchange of information has been prepared. Its practical implementation is ongoing.</p> <p><input checked="" type="checkbox"/> Completed as of 2008</p> <p>Overview (short description) of action(s) taken: The Bank of Spain has intensified its bilateral and multilateral relationships. The supervisory exchange of information within the colleges is adequate for the performance of the college activities. The Bank of Spain has recently developed a website for the exclusive use of supervisors of groups Santander and BBVA to ensure an efficient and comprehensive information exchange.</p> <p>Web-links to relevant documents:</p>	
16 (10)	(Seoul)	More effective oversight and supervision	We agreed that supervisors should have strong and unambiguous	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published</p>	<p>Planned actions (if any):</p> <p>The fourth reform of the Capital Requirements Directive, currently under negotiation, gives new tools</p>

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		<p>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.</p>		<p>as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: In the case of Spain, the DGSFP belongs to the Ministry of Economy and Competitiveness. Although it is not administratively independent, the DGSFP has clear objectives fixed by Law and operates in a transparent manner. Its staff is competent and very well qualified. Its budget is linked to the General Budget. There are some increasing constraints in human and material resources. The DGSFP is working in a very intensive way in relation with the Solvency II Framework, including its future implementation. Apart from that, the DGSFP is involved in other important and fundamental aspects in relation with the regulation and supervision of the Spanish Market, including Pension Funds.</p> <p>To sum it up, the DGSFP has traditionally carried out an intensive and appropriate supervision of the insurance and pension funds markets. No particular serious problems have emerged in the Spanish market.</p> <p>However, some serious constraints in</p>	<p>and powers to supervisors, regarding for instance, the monitoring of corporate governance.</p> <p>Additionally, Bank of Spain will continue being an active member of the SIEG and will be ready to study how incorporate to its model any recommendation this group may emit.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>resources might challenge in a near future the appropriate compliance of its functions. This concern has been showed in the recent assessment of the IMF as well.</p> <p>The DGSFP is currently exploring possible solutions to deal with the present circumstances.</p> <p>On the other side the DGSFP participates in the Stress Tests exercises carried out by EIOPA in relation with the insurance sector.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The supervisory system has been strengthened in the several reforms of the Capital Requirements Directive. Bank of Spain departed from an already intensive supervision model based on a close relation with the institutions to check their accountings and to assess the quality of their control frameworks and to address any shortcomings could be detected. Bank of Spain has shared its experience in this field with other relevant supervisors in the SIEG and it conducted a self-assessment against the relevant BSBC core principles, obtaining a satisfactory result. Additionally, Spain considers that its</p>	

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					<p>supervisory system based on intrusive ongoing on-site supervision from Bank of Spain accompanied by off-site supervision has worked quite satisfactorily.</p> <p>Web-links to relevant documents:</p>	
17 (12)	(FSF 2008)	Supervisory resources and expertise to oversee the risks of financial innovation	V.1 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.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: On the banking side, Spain already complies with this action. Regarding insurance, the DGSFP is aware of this. Despite the previously mentioned limitations on resources, its staff attends the EIOPA Seminars when appropriate. Staff training in the headquarters is developed on a regular basis.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Spanish approach to financial supervision is its proximity, close and intensive.</p>	<p>Planned actions (if any): Despite current Spanish fulfilment of this point, a document to update and develop our risk assessment system is under development nowadays.</p> <p>Banco de España is relatively comfortable with its present structure. Anyway, our financial system is in a deep changing process, with a strong movement towards consolidation. The number of institutions that are going to survive as independent ones is uncertain at this moment. The nature of some of them is also different: most savings banks have already changed their status to banks. Therefore any restructuring or change has to wait until the consolidation process finishes.</p>

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					<p>Supervisory staff includes lawyers, economists, accountants, and other experts in specific banking areas (risk models, IT systems...).</p> <p>There is in place a rigorous program of ongoing education.</p> <p>For further details, see The Bank of Spain supervisory model</p> <p>Web-links to relevant documents: http://www.bde.es/webbde/en/supervision/unciones/Banco_de_Espana_supervisory_model_clean.pdf</p>	<p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
3. Building and implementing macro-prudential frameworks and tools						
18 (23)	(Lon)	Amendment of regulatory systems to take account of macro-prudential risks	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	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify:</p> <p>In accordance with Solvency II between the aspects to be considered in the supervisory exercise those linked to financial stability issues. Same situation emerge from the</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			risk.		<p>international standards.</p> <p>It should be taken into account that according to the Law of Autonomy of the Bank of Spain (Law 13/1994), the preservation of financial stability ("to promote the smooth operation and the stability of the financial system") is one of the objectives assigned to the Bank of Spain.</p> <p>Moreover, in 2006 the Ministry of Finance, the Bank of Spain (Central Bank and banking supervisor), the Comisión Nacional del Mercado de Valores (securities supervisor) and the Dirección General de Seguros (insurance supervisor), created Domestic Standing Group (DSG) on financial stability, which meets regularly. Given its composition, this group is particularly useful to identify, prevent and mitigate macro-prudential risks across the financial system.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	

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19 (24)	(Lon)	Powers for gathering relevant information by national regulators	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.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The supervisory powers given to the DGSFP are defined by the regulation. These are considered as wide. The DGSFP may require the information necessary in relation with its functions, including those linked to the financial stability aspects. As member of EIOPA and ESRB and if so decided by these institutions, attend the requirements received from them. On the banking front, see comments below.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: As the supervisor of the banking sector, the Bank of Spain already has wide powers for gathering any information on credit institutions with potential systemic risk implications.</p> <p>At the European level, the Bank of Spain works in close cooperation with the</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>European Banking Authority in order to ensure consistency of information across jurisdictions. Moreover, the European Systemic Risk Board (where national supervisors, national central banks, European Supervisory Agencies and the European Central bank are represented) has established procedures for the collection and transmission of information, including data on individual institutions when it is deemed necessary. These procedures should guarantee the cross-country consistency of the information used for macroprudential purposes.</p> <p>Web-links to relevant documents:</p>	
20 (25)	(FSF 2009)	Use of macro-prudential tools	3.1 Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative	End-2009 and ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Efforts are required of the DGSFP in relation with the improvement of these tools.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
	(Cannes)		<p>indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level... Authorities should review enforcing minimum initial margins and haircuts for OTC derivatives and securities financing transactions.</p> <p>We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject.</p>		<p>On the banking front, see details below</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Bank of Spain is currently participating in the ongoing international work aimed at developing new macroprudential frameworks and tools to prevent and mitigate systemic risks.</p> <p>At the European level, the ESRB is working in the creation of consistent macroprudential frameworks and the definition of a common set of macroprudential instruments. On the other hand, the upcoming regulation on capital requirements will introduce new tools that will be essential from a macroprudential perspective (notably, countercyclical capital buffers). In this connection, it should be noted that the Bank of Spain has been using a macroprudential tool, dynamic provisioning, since 2000.</p> <p>The Bank of Spain carries out a continuous monitoring of the evolution of leverage both at institution level and at system-wide level.</p> <p>Web-links to relevant documents:</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
21 (26)	(WAP)	Monitoring of asset price changes	Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The DGSFP closely monitors substantial changes. EIOPA gives special attention to these aspects as well.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The Bank of Spain has a double role as central bank and banking supervisor. In performing this dual role, the Bank of Spain monitors the evolution of both real and financial asset prices. This monitoring process considers the implications of asset price fluctuations on the main macroeconomic variables (economic activity, inflation, etc.). On the other hand, the Bank of Spain performs a regular assessment of the possible effects of potential abrupt changes in asset prices on banks' balance sheets (both from a system-wide and individual institution approach).</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents:	
22 (27)	(FSF 2008)	Improved cooperation between supervisors and central banks	V.8 Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: It is expected that current initiatives underway related to macroprudential policy will strengthen the cooperation between supervisors and central banks. On the insurance side, structures have been created at national and European level in particular. It is expected that this cooperation increases in the future.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: It should be noted that the Bank of Spain is a central bank with supervisory responsibilities on banking.</p> <p>Internally, the coordination between different departments takes place both in</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>high level committees and in formal and informal working groups.</p> <p>At National Level: in 2006, the Ministry of Finance, Banco de España (Central Bank and banking supervisor), the Comisión Nacional del Mercado de Valores (securities supervisor) and the Dirección General de Seguros (insurance supervisor), signed a Memorandum of Understanding for cooperation on financial stability issues and crisis management and established a Domestic Standing Group (DSG) on financial stability. This group meets on a regular basis.</p> <p>At European level: in 2011 the European Systemic Risk Board was established. It is responsible for the macroprudential oversight of the financial system and its objective is the prevention or mitigation of systemic risks to financial stability within the EU. This Board is composed by national and European central banks and banking, securities and insurance supervisors as well as other European Institutions. Banco de España is represented as Central Bank and as Banking Supervisor. Comisión Nacional del Mercado de Valores and Dirección General de Seguros are also represented.</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents:	
4. Improving oversight of credit rating agencies						
23 (35)	(Lon)	Registration of CRAs etc.	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.	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of Dec 2009 and Jun 2011</p> <p>Overview (short description) of action(s) taken: The EU Regulation is directly applicable to CRAs. This Regulation is now being amended after the publication of the European Commission's proposal to amend Regulation 1060/2009/CE. It includes registration and supervision of CRAs. ESMA has been entrusted with centralized supervision on CRAS.</p> <p>Web-links to relevant documents: http://ec.europa.eu/internal_market/securities/agencies/index_en.htm</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:302:0001:0031:EN:PDF http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:145:0030:0056:EN:PDF http://www.esma.europa.eu/page/CRA-documents http://ec.europa.eu/internal_market/securities/docs/agencies/COM_2011_747_en.pdf http://ec.europa.eu/internal_market/securities/docs/agencies/COM_2011_746_en.pdf	
24 (36)	(Lon)	CRA practices and procedures etc.	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	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of Dec 2009 and Jun 2011 Overview (short description) of action(s) taken:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			<p>differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO.</p>		<p>see Q 23</p> <p>Web-links to relevant documents: see Q 23</p>	
25 (37)	(FSB 2009)	Globally compatible solutions to conflicting compliance obligations for CRAs	Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010.	As early as possible in 2010	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
	(Cannes)		<p>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.</p> <p>We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings.</p>		

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
5. Enhancing and aligning accounting standards						
27 (28)	(WAP)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any): Bank of Spain will continue to fully align its accounting circulars with IAS as adopted by the European Commission.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
<input checked="" type="checkbox"/> Others, please specify: The DGSFP fully aligns with International Accounting Standards. Bank of Spain, as Spanish accounting regulator for banks, fully aligns with International Accounting Standards by means of implementing these standards in its banking accounting circulars once the standards have been adopted by the European Commission. Thus, this is a recurrent task for the Bank of Spain and cannot be considered permanently completed. Review of compliance with banking accounting circulars is part of Bank of Spain's supervisory on-site and off-site procedures. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken:						

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>ESMA's work in this area is carried out by the Corporate Reporting Standing Committee and by the EECS.</p> <p>Web-links to relevant documents: http://www.bde.es/webbde/es/secciones/normativa/circu/Recopilacion_4_2004_1_parte.pdf http://www.esma.europa.eu/page/corporate-reporting-sc http://www.esma.europa.eu/page/IFRS-Enforcement-0 http://www.esma.europa.eu/page/Corporate-reporting-policy</p>	
28 (30)	(FSF 2009)	The use of valuation reserves or adjustments by accounting standard setters and supervisors	3.4 Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak.	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Please see 27 above.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s)</p>	<p>Planned actions (if any): Please see 27 above.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>taken:</p> <p>Web-links to relevant documents:</p>	
29 (31)	(FSF 2009)	Dampening of dynamics associated with FVA.	3.5 Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii)	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Bank of Spain, as Spanish accounting regulator for banks, has to align its accounting regulations to the international standards as adopted by the European Commission. Accordingly, Bank of Spain works in line with the ongoing reform of the IAS 39.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any): Please see 27 above. However, the reform of IAS 39 has not yet finished. The European Commission has decided to postpone adoption of already finished phase 1 of the reform of IAS 39 until this reform is completed in order to have the whole picture.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			Simplifying hedge accounting requirements.			
6. Strengthening adherence to international financial standards						
30 (32)	(Lon)	Adherence to international prudential regulatory and supervisory standards, as well as agreeing to undergo FSAP/ FSB periodic peer reviews (Note) Please try to prioritise any major initiatives conducted specifically in your jurisdiction	We are committed to strengthened adherence to international prudential regulatory and supervisory standards. FSB members commit to pursue the maintenance of financial stability, enhance the openness and transparency of the financial sector, implement international financial standards, and agree to undergo periodic peer reviews, using among other evidence IMF / World Bank FSAP reports.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of June 2006 Overview (short description) of action(s) taken: Spain underwent a FSAP that was published in 2006 Web-links to relevant documents: http://www.imf.org/external/NP/fsap/fsap.aspx	Planned actions (if any): Spain in currently being assessed under a second FSAP Expected commencement date: 2012 Web-links to relevant documents: http://www.imf.org/external/pubs/ft/survey/so/2012/POL011312A.htm

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
7. Enhancing risk management						
31 (4)	(WAP)	Enhancing guidance to strengthen banks' risk management practices	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.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of NOV 2011 (last modification of CBE 3/08) <p>Overview (short description) of action(s) taken: The main actions taken by BoE are: 1) The rule 105th of CBE 3/2008 refers to internal structure, risk management and internal control. It establish that the groups or banks should have a clear organizational structure, adequate internal control systems and efficient monitoring, management and control risk procedures referring to exposed or potentially exposed risks. The fulfilment of the aforementioned duties requires the observance of requisites concerning to distribution of functions, disposal of adequate internal control systems, to specify the policy for risk assumption and risk monitoring and assessment.</p>	<p>Planned actions (if any): BoE is in the process of adopting as its own the EBA Guidelines on internal governance (GL 44) (the decision of adopting it has been taken and we are in the process of doing it because the formal adoption involves the presentation of a translated version to our Executive Committee, with a proposal to adopt the guidelines as BE guidelines). As a member of the SIEG right now in BoE we are making an internal assessment of the FSB SIE questionnaire on thematic review on risk governance.</p> <p>Expected commencement date: APR 2012</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>2) One of the guidance issued by BoE refers to BoE supervisory model. The paragraphs 4.2 and 4.3 refer to internal governance and risk management and control, respectively. The first one tells that "risk management and control should be based on corporate governance criteria and should be the result of a risk culture that is clearly defined by the Board of Directors, communicated by the Senior Management and set in place at all levels of the organisation". The 4.3 tells that the management and control of each of the risks incurred by the institution should be commensurate with the level and size of such risks, but also with the complexity and sophistication of the activity pursued..."</p> <p>3) Adoption of guidelines issued by CEBS, today EBA, as own guidance. The main CEBS' guidelines adopted, related to risk management refer to: liquidity cost benefit allocation, liquidity buffer and survival periods, management of operational risk in market related activities, implementation of the revised large exposures regime, stress testing, management of concentration risk under the supervisory review process and operational risk mitigation techniques.</p> <p>Web-links to relevant documents: The links to the aforementioned documents are, respectively: http://www.bde.es/webbde/es/secciones/nor</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					mativa/circu/c200803.pdf http://www.bde.es/webbde/en/supervision/funciones/Banco de Espana supervisory model_clean.pdf http://www.bde.es/webbde/en/secciones/normativa/guias/guias.html	
32 (4)	(FSF 2009)	Validation of adequacy of banks' capital buffers	1.4 Supervisors should use the BCBS enhanced stress testing practices as a critical part of the Pillar 2 supervisory review process to validate the adequacy of banks' capital buffers above the minimum regulatory capital requirement.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of JAN 2011 (last modification of BoE ICAAP Guidelines) <p>Overview (short description) of action(s) taken: The basics points to consider are: 1) BoE adopted CEBS guidelines on stress testing as own guidelines (GL32). 2) The BoE guidelines on the internal capital adequacy assessment process states: - Paragraph 2: "...Institutions will put in place a process -PAC- to identify, measure</p>	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>and aggregate their risks, will estimate the capital needed to cover them, will include the capital planning on the medium term and will state a own funds target to make possible to maintain permanently an adequate excess over the legal pillar I requirements"</p> <p>- Paragraph 2.1"...the own funds target should make possible for institutions to fulfil the pillar I requirements even during a deep economic recession or during and adverse evolution of its business. So far, institutions will use adequate stress scenarios..."</p> <p>3) The BoE guidelines on the capital review process states:</p> <p>- Paragraph 2 "...Principle 3. Supervisors should expect institutions to operate above the minimum regulatory capital ratios..."</p> <p>Web-links to relevant documents: The links to the aforementioned documents are, respectively:</p> <p>http://app.bde.es/clf_www/leyes.jsp?tipoEnt=0&id=101434</p> <p>http://app.bde.es/clf_www/leyes.jsp?tipoEnt=0&id=101883</p> <p>http://app.bde.es/clf_www/leyes.jsp?tipoEnt=0&id=101845</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
33 (4)	(FSF 2008)	Monitoring the implementation of updated guidance on liquidity risk	II.10 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.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of DEC 2011 <p>Overview (short description) of action(s) taken: The guidance has been incorporated into the modification of the CBE 3/2008. Two EBA (formerly CEBS) guides on liquidity buffers and liquidity cost benefit allocation have also been adopted.</p> <p>Web-links to relevant documents: http://www.bde.es/webbde/es/secciones/normativa/circu/c-4-2011.pdf http://www.bde.es/webbde/es/secciones/normativa/circu/c200803.pdf http://www.bde.es/webbde/en/secciones/normativa/guias/guias.html</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
34 (4)	(FSB 2009)	Enhancing banks' operations in foreign currency funding markets	Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
35 (39)	(Pitts)	Robust, transparent stress test	We commit to conduct robust, transparent stress tests as needed.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: As mentioned in relation with previous Q 16, the DGSFP participates in the Stress Tests exercises carried out through EIOPA	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p><input checked="" type="checkbox"/> Completed as of JAN 2011</p> <p>Overview (short description) of action(s) taken: BoE have a strong commitment to conduct stress tests. In line with the relevance that we attach to these stress tests, the coverage of the Spanish banks within the EU wide stress test exercises (2010 and 2011) has reached 93% of the system; in particular, internationally active banks, all the other listed banks and all savings banks. We will participate in the next European stress test conducted by EBA which will be in 2013.</p> <p>Besides, BoE has adopted as its own the CEBS guidelines on stress testing" (GL 32) and review its ICAAP guidelines accordingly (on Dec 2010 and JAN 2011 respectively). The BoE reviews the internal stress test exercises made by the entities in their ICAAP.</p> <p>Web-links to relevant documents: http://app.bde.es/clf_www/leyes.jsp?tipoEnt=0&id=101434 http://app.bde.es/clf_www/leyes.jsp?tipoEnt=0&id=101883</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
36 (40)	(Pitts)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Spanish authorities consistently follow up impaired assets and require additional capital when needed. Thus, this is a permanent task and cannot be considered "completed" on a permanent basis.</p> <p>Bank of Spain has in place prudent regulations on the treatment of impaired assets, as well as a system of statistical provisions for credit risk that allows for an early recognition of potential losses (the so-called Spanish dynamic provision). In 2012 (following Royal Decree-law 2/2012) the Bank of Spain has enhanced its provisioning guidelines that will result in a considerable increase in the level of provisioning for real estate related exposures.</p> <p>Bank of Spain is participating in the ongoing international work that aims to increasing the level and quality of regulatory capital.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>Early in 2011, Royal Decree-law 2/2011 was passed establishing for credit institutions a core capital ratio (capital principal) additional to the solvency ratio that required institutions to comply earlier with many of Basel III rules.</p> <p>More recently, Royal Decree-law 2/2012 has requested credit institutions to allow for a core capital (capital principal) buffer calculated on real estate related exposures.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents: http://www.bde.es/webbde/es/secciones/normativa/circu/c-2-2012.pdf http://app.bde.es/clf_www/leyes.jsp?id=98534&fc=10-04-2012&tipoEnt=0 http://app.bde.es/clf_www/leyes.jsp?id=109216&fc=10-04-2012&tipoEnt=0</p>	
37 (41)	(WAP)	Enhanced risk disclosures by financial	Financial institutions should provide enhanced	Ongoing	<p>Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p>	Planned actions (if any):

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
		institutions	risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate.		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: The present rules on disclosure shall be stronger through Solvency II. <input checked="" type="checkbox"/> Completed as of JAN 2009 Overview (short description) of action(s) taken: Basel II Pillar 3 requirements came into force in Spain in January 2009. Spanish firms have published their first reports following the new rules in mid 2009. New Pillar 3 measures approved in July 2009 came into force by end-2011. More recently (2011), Bank of Spain has required credit institutions to provide greater detail in their annual accounts and in their half-year information on their exposures to the real estate sector and mortgage portfolio as well as on their funding position. Web-links to relevant documents: http://www.bde.es/webbde/es/secciones/normativa/circu/c-4-2011.pdf	Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					http://www.bde.es/webbde/es/secciones/normativa/circu/c-5-2011.pdf	
8. Strengthening deposit insurance						
38 (42)	(FSF 2008)	Review of national deposit insurance arrangements	VI.9 National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed.	Ongoing	No response required for this survey. Please refer to peer review report on deposit insurance systems published in February 2012, available at: http://www.financialstabilityboard.org/publications/r_120208.pdf	
9. Safeguarding the integrity and efficiency of financial markets						
39 (new)	(Cannes)	Market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: The CNMV has adopted the ESMA guidelines on systems and controls in an automated trading environment for trading platforms, investment firms and competent authorities. Entering into force 1 May 2012.	Planned actions (if any): MiFID review, currently underway, will contemplate these aspects. The approval is expected by the end of 2012. Spanish regulation will adapt to European directives in accordance with the timetable for transposition. Expected commencement date:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012.		<input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents: http://www.esma.europa.eu/content/ESMA-readies-guidelines-automated-trading-%E2%80%93-application-deadline-starts#	Web-links to relevant documents: http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm
40 (new)	(Cannes)	Enhanced market transparency in commodity markets	We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: The supervision of regulated markets of derivatives on commodities (olive oil) is assigned to the CNMV. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Planned actions (if any): MiFID review, currently underway, will contemplate all these aspects. The approval is expected by the end of 2012. Spanish regulation will adapt to European directives in accordance with the timetable for transposition. Expected commencement date: Web-links to relevant documents: http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			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			
10. Enhancing consumer protection						
41 (new)	(Cannes)	Financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: The Financial Education Plan is being carried out since 2008.	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
		<p>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.</p>		<p>For the DGSFP are key those aspects linked to consumer protection. It follows very closely EIOPA work in relation with this. The DGSFP is member as well of the IPPC of the OECD</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The framework of consumer protection has been reinforced with Order EHA 2899/2011 of 28 October, of transparency and protection of costumers of banking services. This rule reinforces the transparency requirements for every banking service, and specially in mortgage credit. Moreover, it introduces responsible lending provisions and the standardization of information requirements for mortgage credit.</p> <p>Additionally, this year, Royal Decree-Law 6/2012, of 9 March, of urgent measures of protection of mortgage borrowers without financial resources was passed. This law establishes a code of conduct for credit institutions to facilitate renegotiations and the reception in lieu of payment of the housing asset for people at risk of social exclusion.</p> <p>Finally, Spain participates actively in</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>international fora on consumer protection such as in the OECD or the FSB and is currently involved in the negotiation of the Mortgage Credit Directive in the European Union. This will introduce an European framework for mortgage borrower protection.</p> <p>Web-links to relevant documents: http://www.cnmv.es/DocPortal/Publicacion/es/PlanEducacion/PlanEducacion_een.pdf http://www.boe.es/boe/dias/2012/03/10/pdfs/BOE-A-2012-3394.pdf http://www.boe.es/boe/dias/2011/10/29/pdfs/BOE-A-2011-17015.pdf</p>	

Origin of recommendations:

- Cannes: The Cannes Summit Final Declaration (3-4 November 2011)
- Seoul: The Seoul Summit Document (11-12 November 2010)
- Pitts: Leaders' Statement at the Pittsburgh Summit (25 September 2009)
- Lon: The London Summit Declaration on Strengthening the Financial System (2 April 2009)
- Tor: The G-20 Toronto Summit Declaration (26-27 June 2010)
- WAP: 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)

Index of acronyms

Example:

FSB: Financial Stability Board

AIFM: Alternative Investment Funds Manager

CNMV: Comisión Nacional del Mercado de Valores

MoU: Memorandum of Understanding

ESMA: European Securities Market Authority

CRA: Credit Rating Agency

EECS: forum in which all EU National Enforcers of financial information,

whether ESMA members or not, meet to exchange views and discuss experiences of enforcement of IFRS.

FSAP: Financial Sector Assessment Program

DGSFP: Dirección General de Seguros y Fondos de Pensiones.

IPPC: Insurance and Private Pensions Committee.

OECD: Organization for the Economic Cooperation and Development.