FSB FINANCIAL STABILITY BOARD

Jurisdiction: France

2019 IMN Survey of National/Regional Progress in the Implementation of G20/FSB Recommendations

National authorities from FSB member jurisdictions should complete the survey and submit it to the FSB Secretariat (imn@fsb.org) by **Friday, 12 July** *(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 not required to include information about progress to date, main developments since last year's survey or future plans. Revisions to previously included text or descriptions of relevant developments and new reforms to enhance the existing framework in that area can be made as needed, but this is optional and should not lead to a downgrade from implementation completed to ongoing, unless these reverse previously implemented reforms. 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. Such publication is planned at around the time of the October 2019 G20 Finance Ministers and Central Bank Governors meeting. The FSB Secretariat will contact member jurisdictions in advance to check for any updates or amendments to submitted responses before they are published.

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 not be collected in the 2019 survey.

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

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** . cf European Commission's reply. The French Market Authority (AMF) took part in the 5th edition of the IOSCO's Hedge Funds survey (as well as in the four previous editions). This bi-annual survey provides an insight into the Hedge Funds industry in the jurisdiction participating, notably regarding the size of the asset under management or trends including with respect to investment strategies implemented or the use of leverage in the jurisdictions which take part in the survey. The AMF is signatory to the IOSCO MMoU in relation to cooperation in enforcement.	If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

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
No changes since last survey	Cf European Commission's reply

Relevant web-links	
Web-links to relevant documents	https://www.esma.europa.eu/convergence/international-cooperation

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)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2019 survey.

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 not be collected in the 2019 survey.

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** 1.2016

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

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

Progress to date

Issue is being addressed through

- [x] Primary / Secondary legislation
- [x] Regulation / Guidelines
- [ ] Other actions (such as supervisory actions)

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

Cf European Commission's reply

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

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**	**Planned actions** (if any) and expected commencement date
Cf European Commission's reply	

Relevant web-links

Web-links to relevant documents

For insurance sector: http://ec.europa.eu/finance/insurance/solvency/solvency2/index_en.htm
AIFM Directive implementing regulation: http://ec.europa.eu/internal_market/investment/docs/20121219-directive/delegated-act_en.pdf
IOSCO Final report on the Regulation of Retail Structured Products: http://www.iosco.org/library/pubdocs/pdf
ESMA"s Opinion "Structured Retail Products - Good practices for product governance arrangements" (27/03/14): https://www.esma.europa.eu/sites/default/files/library/2015/11/2014-332_esma_opinion_u_structured_retail_products_-_good_practices_for_product_governance_arrangements.pdf

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** 20.06.2013

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
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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

cf European Commission's reply

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

6. Enhanced disclosure of securitised products

Update and next steps

Highlight **main developments since last year's survey**	**Planned actions** (if any) and expected commencement date
cf European Commission's reply	cf European Commission's reply

Relevant web-links

Web-links to relevant documents	Delegated Regulation (EU) 2015/3 Securitisation Regulation proposal

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 2018)*
- *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** 01.01.2016

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

7. Consistent, consolidated supervision and regulation of SIFIs

Progress to date

Issue is being addressed through

- [x] Primary / Secondary legislation
- [x] Regulation / Guidelines
- [ ] Other actions (such as supervisory actions)

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

In the banking sector : all the international requirements applicable to G-SIBs and D-SIBs are part of the EU regulatory framework and have come into force 1st of January 2016. All the G-SIFIs and D-SIFIs are supervised on a consistent and consolidated basis. ACPR contributes actively to the Data Gaps Initiative, developed by FSB. French G-SIBs report data to the International Data Hub is managed by the BIS. Solvency II has entered in force and will improve the consolidated supervision of insurance groups on several aspects, and since 2013 the preparation of this new framework has been a priority for ACPR. In the insurance sector, AXA was publicly identified as a GSII. There is a Crisis Management Group, recovery plan, resolution plans, LRMP, SRMP that comply with international standards (FSB / IAIS), but nothing is yet provided in the "hard" French law. Consolidated supervision of AXA is performed by the College of Supervisors `independently of the designation of AXA as GSII.

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

7. Consistent, consolidated supervision and regulation of SIFIs

Update and next steps	
Highlight **main developments since last year's survey**	**Planned actions** (if any) and expected commencement date
G-SIBs designation by ACPR took place for the 6th consecutive year. The list follows the FSB list and the fully phased-in G-SIB buffers are the same as last year. D-SIBs have also been identified in France for the 4th year and a D-SIB buffer is applicable to them since 01/01/16. The fully phased-in D-SIB buffers are the same as last year. In the absence of a list of designated G-SIIs in 2017, the policy measures associated with the G-SII status stay in force. As AXA has been identified as a GSII between 2013 and 2016, the following actions have been taken for AXA: establishment of a Crisis Management Group, production of recovery and resolution plans, liquidity management plan (LRMP) and a systemic risk management plan (SRMP), which comply with international standards (FSB / IAIS). Since 2017, the French legal framework imposes to the biggest insurance groups and companies to build recovery plans. As for other European and international insurance groups, the consolidated supervision of AXA is performed by the College of Supervisors. The ACPR provides on its website the link to the list of G-SIIs published by the FSB.	

Relevant web-links	
Web-links to relevant documents	https://acpr.banque-france.fr/sites/default/files/liste_eism_2017_au_titre_de_2016_0.pdf https://acpr.banque-france.fr/sites/default/files/liste_eism_2017_au_titre_de_2016_0.pdf https://acpr.banque-france.fr/sites/default/files/20171201-g-sii_list_for_reference_date-2016.pdf https://acpr.banque-france.fr/sites/default/files/20171201_o-sii_list.pdf https://acpr.banque-france.fr/sites/default/files/20161213_o-sii_methodology.pdf Methodology for assessing D-SIBs http://acpr.banque-france.fr/fileadmin/user_upload/acp/publications/registre-officiel/20161213_methodologie_A-EIS.PDF

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.

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** 01.01.2014 (Banking)

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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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

Between EEA countries, EU directives have established a legal framework for the exchange of information which is mandatory (including colleges of supervisors). For cooperation with other countries, ACPR has also the power to conclude bilateral agreements with the authorities of these countries subject to the condition that these authorities are entrusted with duties similar to those entrusted in France to the ACPR and provided that such authorities are themselves bound by an obligation of professional secrecy.

In the banking sector : the ACPR has concluded a number of bilateral agreements for banking supervision with non EEA countries, among which Canada, the US, Switzerland, Korea, Qatar, Dubaï, Monténégro, Mexico, Serbia, Comoros, Taïwan, Morocco, China, Guinea, West African Monetary Union, Central African Banking Commission, India,Vietnam, Hong Kong and Singapore.

In the insurance sector, Solvency II has come into force as from 1st January 2016. It has contributed to improving the consolidated supervision of insurance groups on several aspects. Since 2013, the preparation of this new framework has been a priority for the ACPR and since 2016 monitoring the implementation and improving the quality of Solvency 2 data is high on the ACPR agenda. For each international insurance group subject to the Solvency II Directive, the ACPR, as group supervisor, has established a global Coordination Arrangement between all EEA and main non EEA supervisors involved in the supervision of each said international group; EIOPA is also signatory of most of these CoArs. ACPR is also member of Coordination Agreements for groups where it is not Lead Supervisor. ACPR has also signed bilateral MoUs with non EEA supervisory authorities, including the New York State Insurance Department (USA), APRA (Australia) and CIMA (regional supervisor for 14 countries of West & Central Africa). More globally ACPR has also signed the IAIS MMoU. ACPR is fully involved in national and international initiatives aimed at enhancing supervisory coordination. In the framework of the AIFM Directive, cooperation between EU and non-EU authorities in the supervision of alternative investment fund managers was fostered through ESMA"s negotiation of cooperation arrangements with non-EU authorities (bilateral MoUs)

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

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
A bilateral agreement has been signed in 2018 between ACPR and Hong Kong Monetary Authority to enhance cooperation of their innovation and fintech departements.	

Relevant web-links

Web-links to relevant documents	https://acpr.banque-france.fr/international/la-cooperation-au-niveau-international/les-accords-de-cooperation.html

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** 01.01.2016 for the im

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

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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

Insurance Sector: Solvency 2 Directive and delegated regulation, which provide a comprehensive set of rules concerning effective insurance supervision, entered into force on 01.01.2016. This directive has been completed by a number of guidelines.

Banking Sector: The EU has put in place a comprehensive set of rules concerning effective supervision. Directive 2013/36/EU provides for the general powers and measures that supervisors shall have (art. 102-104), the power to impose penalties (art. 18 and 64) and the procedure to follow to carry out banks' supervision (art. 97-98).

Among the powers entrusted to supervisors, there is the obligation to carry out stress testing at least annually (Art. 100). Primary legislation has been complemented principally by the EBA guidelines on supervisory review and evaluation process, applicable since January 2016 and revised in 2018, by EBA guidelines on institutions'stress testing and EBA guidelines on interest rate risk in the banking book,. ACPR complied to these 3 guidelines issued by EBA in July 2018.

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

10. Strengthening resources and effective supervision

Update and next steps	
Highlight **main developments since last year's survey**	**Planned actions** (if any) and expected commencement date
For the banks directly supervised by the ECB, the SSM has adopted three high-level priorities to guide its supervision throughout 2019. The aim is to ensure that directly supervised banks address key risks effectively. The priorities are: (i) Credit risk, with a focus on NPLs and credit underwriting standards, (ii) Risk management and (iii) other risks such as the trading risk and asset valuation. In addition, all significant institutions in the euro area are assessed against a common yardstick and following a harmonized SREP methodology. Quantitative and qualitative elements were combined through a constrained expert judgement approach, which ensures consistency, avoided supervisory forbearance and accounted for institutions" specificities.	

Relevant web-links	
Web-links to relevant documents	https://eba.europa.eu/-/eba-publishes-final-guidance-to-strengthen-the-pillar-2-framework

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** 01.06.2014

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

11. Establishing regulatory framework for macro-prudential oversight

Progress to date

Issue is being addressed through

- [x] Primary / Secondary legislation
- [ ] Regulation / Guidelines
- [ ] Other actions (such as supervisory actions)

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

Macroprudential authority mandate and powers have been set up through primary and secondary legislation, all binding powers are effectively applicable.

Following an assessment, information collection powers have been further specified and strengthened - binding powers have been extended to cover credit origination by non banks (funds) and to address potential sector wide/systemic developments in the insurance sector.

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

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
No changes since last survey.	

Relevant web-links	
Web-links to relevant documents	

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** 01.12.2014

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If "**Implementation ongoing**" has been selected, please specify

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- ○ Draft published as of
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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

The Haut Conseil de stabilité financière (HCSF - High Council for Financial Stability) is tasked with supervising the financial system as a whole, with the aim of safeguarding its stability and ensuring a sustainable contribution of the financial sector to economic growth.
Among other tools, the HCSF decides each quarter of the appropriate level of the countercyclical capital buffer (CCyB) for French exposures.

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

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
At its June 2018 meeting, the HCSF decided to activate the countercyclical buffer at a level of 0.25%, following the observation of a phase of accelerating the financial cycle and a favourable macroeconomic situation. The decision was published on 1 July 2018 and banks will have to comply with them from 1 July 2019. The decision process by the HCSF relied on a continuous and multi-factorial monitoring of the potential risks and vulnerabilities that could affect the French financial sector; it uses, amongst other elements of diagnosis, the bi-annual "Évaluation des risques du système financier", by the Banque de France and the ACPR. Last year, the HCSF confirmed its diagnosis of a favourable position in France in the financial cycle. This position is consistent with high valuations in equity and bond markets, despite corrections at the end of 2018. These revaluations linked to a low interest rate environment also indicate an appetite for increased risk. Moreover, the increase in the leverage of private non-financial actors continued, both for non-financial corporations, irrespective of their size, and for households, with relaxed conditions. The HCSF also questioned the impact of the CCyB increase on the financing of enterprises and households. The impact seems to have been very low in France, consistent with what was observed in the countries also activated their CCyB. Consistent with this economic diagnosis and preventive logic, at its March 2019 meeting the decided to raise the level of the CCyB again. The countercyclical bank capital buffer was thus raised to a level of 0.5% of risk-weighted assets on French exposures. Banks will have to comply with them from 2 April 2020. The HCSF also took several reciprocity measures, related to decisions adopted by the macroprudential authorities of other EU Member States, in accordance with ESRB recommendations. y.	

Relevant web-links	
Web-links to relevant documents	https://www.economie.gouv.fr/hcsf-en https://www.economie.gouv.fr/files/files/directions_services/hcsf-en/HCSF20190318_-_Press_release.pdf https://www.economie.gouv.fr/hcsf/rapports-annuels https://www.economie.gouv.fr/files/files/directions_services/hcsf/Rapport_annuel_HCSF_2019.pdf https://publications.banque-france.fr/evaluation-des-risques-du-systeme-financier-juin-2019

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)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2019 survey.

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** 6.2013

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

14. Reducing the reliance on ratings

Progress to date

Issue is being addressed through

- [x] Primary / Secondary legislation
- [x] Regulation / Guidelines
- [ ] Other actions (such as supervisory actions)

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

cf European Commission's reply

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

14. Reducing the reliance on ratings

Update and next steps	
Highlight **main developments since last year's survey**	**Planned actions** (if any) and expected commencement date
No change since last survey	cf European Commission's reply

Relevant web-links	
Web-links to relevant documents	EU Regulation No 462/2013: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R0462&from=FR EU Directive 2013/14/UE http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013L0014&from=FR Art L533-10-1 of the French Monetary and Financial Code: http://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000027794628 AMF General Regulation: http://www.amf-france.org/Reglementation/Reglement-general-et-instructions/Reglement-general-en-vigueur/Reglement-general.html?category=Livre+III+-+Prestataires&currentLivreRG=3 AMF Instruction No 2011-19: http://www.amf-france.org/Reglementation/Doctrine/Doctrine-list/Doctrine.html?category=II+-+Produits+de+placement&docId=workspace%

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** 01.01.2005

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

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

15. Consistent application of high-quality accounting standards

Update and next steps

Highlight **main developments since last year's survey**	**Planned actions** (if any) and expected commencement date
As member of the EFRAG, ANC actively participated in 2017 in the preparation of the Endorsement Advice on IFRS 16, the new standard for Leases replacing IAS 17 from 2019 on, as well as the endorsement of the amendments to IFRS 4 allowing entities undertaking insurance activities to defer the application of IFSR 9. EFRAG's assessment has been based on a detailed analysis of EU endorsement criteria including additional matters for consideration added by the EU Commission. Moreover, additional criteria (as suggested by the Maystadt report) have been considered in assessing whether the new standard is conducive to the European public good: the new standard should not endanger financial stability and must not hinder the economic development of the Union. ANC is also developing and financing research in accounting matters in order to underpin its works and positions. Since 2010, ANC has been financing more than 20 accounting research projects conducted by academics. ANC organises an Annual Symposium on Accounting Research. The 7th Symposium was held on 11th December 2017 in Paris and its theme was: « Accounting and Digitalisation».	

Relevant web-links

Web-links to relevant documents	http://www.anc.gouv.fr/cms/sites/anc/accueil/recherche/etats-generaux-de-la-recherche-c/6emes-etats-generaux--2016.html http://www.anc.gouv.fr/cms/sites/anc/accueil/normes-internationales/historique-des-positions.default.html?displayTab=2016&

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** 01.01.2014

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

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

- [x] Primary / Secondary legislation
- [x] Regulation / Guidelines
- [ ] Other actions (such as supervisory actions)

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

The Basel III agreement 2008 are implemented into EU law by the CRD IV Package which is made up of a Directive (Directive 2013/36/EU and a Regulation (Regulation (EU) No 575/2013 These prudential rules introduced in the two legislative texts have been applied since 1 January 2014. In particular, both texts contain provisions strengthening the requirements regarding risk management practices, including the management of liquidity risks, of credit institutions and investment firms. Pursuant to Directive 2013/36/EU supervisory authorities are required to review the arrangements, strategies, processes and mechanisms implemented by institutions and ensure that their risk management frameworks provide for sound management and coverage of their risks under the Pillar 2 approach. If not, supervisory authorities are allowed to apply supervisory measures to non-compliant institutions and take actions to address any situations of non-compliance. Other Regulations complementing the CRDIV package have been adopted, amongst which a Commission Implementing Regulation on additional liquidity monitoring metrics that entered into force in March 2016. In December 2013, EBA adopted guidelines on Pillar 2 capital measures for lending in foreign currencies. These guidelines, incorporated in those related to SREP, address the recommendation made by the ESRB (European Systemic Risk Board), following its 2011 Report on lending in foreign currencies. These guidelines specify the method to be used by supervisory authorities where FX lending risk is deemed to be material and where capital measures are deemed to be an appropriate method of treating this risk. In December 2014, EBA published Guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) (EBA/GL/2014/13) that has been updated during in July 2018. These Guidelines aim to provide supervisory authorities with a common European framework for SREP and risk assessment under Pillar 2. These guidelines explain how to assess the various risks to which banks are exposed, including FX lending and liquidity risks, as well as the governance and internal control framework of banks for identifying, managing, monitoring risks. The initial guidelines entered into force in January 2016 2016 and revised guidelines will apply starting with the 2019 SREP examination process.. The provisions of the Regulation on liquidity coming from the Regulation (EU) No 575/2013 have been complemented by the adoption of the Commission Delegated Regulation (EU) No 2015/61 of 10 October 2014 to supplement Regulation (EU) 575/2013 with regard to liquidity coverage requirement for credit institutions that specifies the method of calculation of the LCR and that entered into force in October 2015 and by the adoption of the Commission Implementing Regulation (EU) 2016/313 of 1 March 2016 amending Implementing Regulation (EU) No 680/2014 with regard to additional monitoring metrics for liquidity reporting that entered into force in March 2016. The EBA published on 3 November 2016 Guidelines on ICAAP and ILAAP information. These Guidelines introduce a common approach and specify what information regarding ICAAP and ILAAP Competent Authorities should collect from institutions in order to perform their assessments of ICAAP and ILAAP frameworks as well as the reliability of ICAAP and ILAAP capital and liquidity estimates in a consistent manner following the criteria specified in the EBA SREP Guidelines. In 2016, EBA has issued Guidelines on communication between competent authorities and auditors (EBA/GL/2016/05) in order to facilitate an effective dialogue. ACPR has already started to implement these guidelines and has declared to be compliant in January 2017.

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

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**	**Planned actions** (if any) and expected commencement date
In both sectors, stress tests have been coordinated by EBA and EIOPA and results published in December 2018 by EIOPA (42 insurers representing a market coverage of 75% based on consolidated group assets, including 9 French insurers) and November 2018 by EBA (48 banks and 70% of the total EU banking sector assets, incl 6 French banks).	

Relevant web-links

Web-links to relevant documents

http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32013L0036 Regulation (EU) No 575/2013 http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32013R0575
Commission Delegated Regulation on the LCR: http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1458140192307&uri=CELEX:32015R0061
Commission Implementing Regulation on Additional Liquidity Monitoring Metrics : http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016R0313
EBA Guidelines on SREP Guidelines on SREP methodologies and processes
https://eba.europa.eu/-/eba-publishes-final-guidance-to-strengthen-the-pillar-2-framework

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** 01.01.2013 and 01.01

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

17. Enhanced risk disclosures by financial institutions

Progress to date

Issue is being addressed through

- [x] Primary / Secondary legislation
- [ ] Regulation / Guidelines
- [x] Other actions (such as supervisory actions)

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

In the European Union largelisted banks are required to use IFRS for their consolidated accounts by virtue of the IAS Regulation and the subsequent adoption of individual IFRS standards. The most relevant standards for risk disclosure are IAS 32, IFRS 7 and IFRS 13 all adopted in the EU.
IFRS 9 was endorsed by the EU through Commission Regulation (EU) 2016/2067 and has entered into force on January 1st 2018. The amendments to IFRS 4 permit entities that predominantly undertake insurance activities, (Commission Regulation (EU) 2017/1988) the option to defer the effective date of IFRS 9 until 1 January 2021.
The objective of IFRS 9 is to improve the financial reporting of financial instruments by addressing concerns that arose in this area during the financial crisis. In particular, IFRS 9 responds to the G20's call to move to a more forward-looking model for the recognition of expected losses on financial assets. Adoption of IFRS 9 implied, by way of consequence, amendments to International Accounting Standard (IAS), notably IFRS 7 and IFRS 13. In particular, information in the notes is required on transition (IFRS 7.42I à 42S (i.e. information related to FTA) as well as information related to credit risk (IFRS 7.35A à 7.35N).

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

17. Enhanced risk disclosures by financial institutions

Update and next steps

Highlight **main developments since last year's survey**	**Planned actions** (if any) and expected commencement date
In addition to 2017 EBA guidelines with a "comply or explain" status on expected credit loss (ECL) provisioning under IFRS 9, the EBA issued in January 2018 final Guidelines on disclosure requirements of IFRS 9 transitional arrangements. At the national level, ACPR has declared to the EBA on November 8th 2017 to be compliant with the EBA Guidelines 2017/06 on credit institutions' credit risk management practices and accounting for expected credit losses, and issued a public notice in this regard on November 17th 2017. The ACPR has also complied with the EBA Guidelines 2018/01 on disclosure requirements of IFRS 9 transitional arrangements, issued a public notice in this regard on February 28th and declared this compliance to the EBA on March 6th 2018.	

Relevant web-links

Web-links to relevant documents	https://acpr.banque-france.fr/sites/default/files/media/2017/11/17/avis-acpr-orientations-gl-eba-2017-06.pdf 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 https://www.eba.europa.eu/documents/10180/1532063/EBA-CP-2016-10+%28CP+on+Guidelines+on+Accounting+for+Expected+Credit%29.pdf/33a54bcc-f462-4749-a982-5a53bb3e8c03

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** 03.07.2015

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

18. Strengthening of national deposit insurance arrangements

Progress to date

Issue is being addressed through

- [x] Primary / Secondary legislation
- [ ] Regulation / Guidelines
- [ ] Other actions (such as supervisory actions)

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

The French Deposit Guarantee Scheme is already largely in line with the IADI Principles (latest change to regulations in September 2010). France has an explicit scheme managed by an autonomous structure (Fonds de Garantie des Dépôts - FGD). This scheme is compulsory for all banks licensed in France (Art. L. 312-14, Monetary and Financial Code). In addition to payout, the FGD can take preventative action, including the granting of liquidity lines or guarantees and the purchase of shares in a credit institution. The FGD is governed by a supervisory board made of elected representatives of the banking sector. The Chairperson of the Executive board has a specific agreement by the Ministry of Finance. Laws and regulations clearly define eligible deposits: up to a limit of EUR 100 000 per person and per institution, the FGD guarantees both on demand and time deposits in the currencies of the European Economic Area for both residents and non-residents. Non-financial companies are covered, but not banks, other non-bank financial companies, government and central administrative authorities. It is funded by ex-ante risk-based premiums levied from banks and taking into account the level of eligible deposits. The FGD can also borrow and raise additional premiums. Payout is triggered by the supervisor (ACP) and should occur within 20 to 30 days. The FGD has access to deposit data upon a request to intervene. Communication to the public includes an FGD website and information provided by banks. The FGD is subrogated in the rights of the beneficiaries of its intervention (Article L312-6) and thus shares in the proceeds of recoveries from the estate of the failed bank. The FGD may bring any action for damages against the de facto and de jure executives of the institutions it intervenes in to secure repayment of some or all of the sums it has paid (Article L.312-6). Finally, its mission had been reinforced since the FGD has become the French Resolution Fund (FGDR, Fonds de garantie des dépôts et de résolution) on 26 July 2013. Act n° 2013-672 of 26 July 2013 of banking separation and regulation gave it the capacity to intervene in resolution with new tools. Highlight main developments since last year''s survey. The new DGS Directive which was adopted in April 2014 and entered into force on 2 July 2014 should be transposed by the Member States by 3 July 2015. The main modifications which have been carried out to French scheme in accordance to this directive relate to : - the funding of the FGDR; - the shortening to 7 days of legal proceedings for payout; - the extension of covered deposit to funds left in account in any currency; - the ability to conclude written cooperation agreements with other scheme given to FGDR.

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

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
No changes since last survey.	

Relevant web-links	
Web-links to relevant documents	Relevant provisions of the Monetary and Financial Code (in French): http://www.legifrance.gouv.fr/affichCode.do; jsessionid=E7C20F10DC9F933ADDCD0870D1D66A42.tpdjo12v_1?idSectionTA=LEGISCTA000006170368&cidTexte=LEGITEXT000006072026&dateTexte=20130428 DGS Directive published in the OJ on 12/6/2014 : http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0049&from=EN

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** 03.01.2018 (MiFID 2/

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

19. Enhancing market integrity and efficiency

Progress to date

Issue is being addressed through

- [x] Primary / Secondary legislation
- [x] Regulation / Guidelines
- [ ] Other actions (such as supervisory actions)

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

cf European Commission's reply

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

19. Enhancing market integrity and efficiency

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

Relevant web-links	
Web-links to relevant documents	MiFID II https://ec.europa.eu/info/law/markets-financial-instruments-mifid-ii-directive-2014-65-eu/amending-and-supplementary-acts/implementing-and-delegated-acts_en#relatedlinks MiFIR https://ec.europa.eu/info/law/markets-financial-instruments-mifir-regulation-eu-no-600-2014/amending-and-supplementary-acts/implementing-and-delegated-acts_en#relatedlinks MAR: https://ec.europa.eu/info/law/market-abuse-regulation-eu-no-596-2014/amending-and-supplementary-acts/implementing-and-delegated-acts_en#relatedlinks

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** 03.01.2018

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

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** cf European Commission's reply	If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

20. Regulation and supervision of commodity markets

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

Relevant web-links	
Web-links to relevant documents	MiFID II https://ec.europa.eu/info/law/markets-financial-instruments-mifid-ii-directive-2014-65-eu/amending-and-supplementary-acts/implementing-and-delegated-acts_en#relatedlinks MiFIR https://ec.europa.eu/info/law/markets-financial-instruments-mifir-regulation-eu-no-600-2014/amending-and-supplementary-acts/implementing-and-delegated-acts_en#relatedlinks MAR: https://ec.europa.eu/info/law/market-abuse-regulation-eu-no-596-2014/amending-and-supplementary-acts/implementing-and-delegated-acts_en#relatedlinks

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 ongoing reporting of progress in this area by the FSB Official Sector Steering Group, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.

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 refer to OECD's *September 2013 and September 2014 reports* on effective approaches to support the implementation of the High-level Principles as well as the *G20/OECD Policy Guidance on Financial Consumer Protection in the Digital Age*, which provides additional effective approaches for operating in a digital environment. 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. In the case of private pensions, additional guidance can be found in the *Good Practices on the Role of Pension Supervisory Authorities in Consumer Protection Related to Private Pension Systems*

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** 2012

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

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

Insurance Distribution Directive (ex. "Insurance Mediation Directive") The Insurance Distribution Directive (IDD) aims at deepening the internal market in insurance distribution and provides for a more effective protection of consumers when purchasing insurance products. Further rules are expected to specify the principles laid down in the Directive, and Technical Advice by EIOPA is expected on these points by February 2017.
Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation The Regulation on Packaged Retail and Insurance Based Investment Products (PRIIPs) aims to improve investor protection by introducing the obligation for PRIPs manufacturers to provide a clear, short and standardised key information document (KID), and to publish it on its website. The KID is to offer a uniform presentation that clearly spells out main features, risks and opportunities as well as costs associated with a broad range of investment products available to retail investors, such as insurance-based investment products, structured investment products and collective investment schemes. This consumer friendly document is to facilitate the understanding of and comparison between different investment products.

France has transposed into French law legal provision of Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010. All implemented provisions were published.

France has transposed into French law legal 2014/92/EU of the European Parliament and of the Council of 23 July on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features -the Payment Accounts Directive (PAD or "the Directive"). All implemented provisions were published.

The transparency, anti-corruption and economic modernsiation bill, published in december 2016, contains measures for modernising the economy while adequately protecting investors and consumers:

i) enhances financial stability and the protection of citizens with savings by expanding the powers of the financial regulatory authorities;
ii) establishes a prudential regime for retirement insurance policies while maintaining the current level of protection for the insured
iii) prohibits advertising by online platforms that offer high-risk financial instruments
iv) supports the expansion of new means of payment by creating a level competitive playing-field for all categories of payment service providers.

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

22. Enhancing financial consumer protection

Update and next steps	
Highlight **main developments since last year's survey**	**Planned actions** (if any) and expected commencement date
Implementation of secondary measures relative to retirement insurance policies : (decree n° 2017-1171 of 18 July 2018, decree n° 2017-1765 of 26 december 2017) that establish a prudential regime for retirement insurance policies while maintaining the current level of protection for the insured -new means of payment service providers :Transposition in French law of european directive n° 2015/2366 was published in August 2017 and entered into force on the 13th January 2018.	

Relevant web-links	
Web-links to relevant documents	

List of abbreviations used

Sources of recommendations

- Buenos Aires: G20 Leaders' Communique (27 November 2018)
- 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)