

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

Jurisdiction: EUROPEAN COMMISSION

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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 checked="" type="checkbox"/> Draft regulations/guidelines published as of 2012 <input type="checkbox"/> Final rules expected to be in force by <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Green Paper on shadow banking was released on 19 March 2012. The EC is organising a shadow banking conference on 27 April. In addition, a working group inside the Financial Services Committee has been created and is contributing to the international work stream</p> <p>Web-links to relevant documents: http://ec.europa.eu/internal_market/consultations/2012/shadow_en.htm</p>	<p>Planned actions (if any): legislative proposal in 2013</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</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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2 (11)	(Lon)	Review of the boundaries of the regulatory framework	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input checked="" type="checkbox"/> Draft regulations/guidelines published as of 2012 <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of <p>Overview (short description) of action(s) taken: Taking on the shadow banking workstream, hence extending the boundaries of the current regulatory framework (see above)</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
(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	<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 checked="" type="checkbox"/> Final rules expected to be in force by Mid 2012 <input type="checkbox"/> Others, please specify:	<p>Planned actions (if any): The Directive will require transposition into national legal systems of the Member states.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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	(Lon)		<p>supervision on hedge funds, ...</p> <p>Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management.</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://ec.europa.eu/internal_market/investment/alternative_investments_en.htm</p>	
4 (14)	(Lon)	Effective oversight of cross-border funds	We ask the FSB to develop mechanisms for cooperation and	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</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p>

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			<p>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.</p>		<p>as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: see above <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:</p>	<p>Web-links to relevant documents:</p>
5 (15)	(Lon)	<p>Effective management of counter-party risk associated with hedge funds</p>	<p>Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures.</p>	Ongoing	<p>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: CRDIV covers prime brokers <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any): Expected commencement date: 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: Directive http://register.consilium.europa.eu/pdf/en/12/st08/st08468.en12.pdf Regulation http://register.consilium.europa.eu/pdf/en/12/st08/st08467.en12.pdf	
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: N/A <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:

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(ii) Securitisation					
7 (17)	(FSB 2009)	Implementation of BCBS/IOSCO measures for securitisation	During 2010, supervisors and regulators will: <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	No response required for this survey. 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
			<ul style="list-style-type: none"> implement IOSCO's proposals to strengthen practices in securitisation markets. 		Implementation ongoing: <ul style="list-style-type: none"> <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 2009 Planned actions (if any): At its February meeting, the Technical Committee considered the EC/SEC Report. The Technical Committee asked TFUMP to build on the Report by considering the issues raised by the FSB from a global perspective. Specifically, it asked TFUMP to consider regulatory and industry initiatives about enhanced transparency (including standardization of disclosure) and

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					<p>Overview (short description) of action(s) taken: During 2010, IOSCO Task Force on Unregulated Markets and Products (TFUMP) conducted a survey about the implementation of these recommendations in member jurisdictions. It reported the results of that survey to the Technical Committee in a report published in March 2011.</p> <p>Its report showed that these jurisdictions had at least one, if not multiple, initiatives in progress to implement the recommendations on: disclosure; the retention of long term exposure; investor suitability, and international coordination and regulatory cooperation. Its report also recognized that work remained to be done to improve disclosure standards for private or wholesale offerings of securitized products as well as to improve international cooperation towards convergence of national regulations, where desirable. TFUMP made recommendations to regulators in these two areas.</p> <p>In July 2011, the Joint Forum published a report on Asset Securitization Incentives. The report was based on industry interviews in a number of jurisdictions and a literature review. The report reviewed developments</p>	<p>risk retention in other jurisdictions.</p> <p>TFUMP circulated a survey about these issues to Technical Committee, Executive Committee and Emerging Markets Advisory Board members during March 2012. The survey sought information about regulatory requirements and relevant and related industry practice (in particular on due diligence practices), upfront and ongoing disclosure about securitization products and risk retention in securitization transactions. High level feedback on covered bond regulation was also sought. At the time of writing this report, 19 jurisdictions (drawn from Europe, the Asia-Pacific, Africa and the Middle East and the Americas) had responded to the survey.</p> <p>This Report outlines the work undertaken on the survey and provides a preliminary summary of responses to the survey. It also outlines issues for further discussion within TFUMP.</p> <p>It is intended that this Report form</p>

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					<p>in securitization markets and explored reasons why there has yet to be a meaningful recovery in activity. It outlined a number of recommendations to authorities on the tools and approaches they can employ to promote a sustainable and responsible securitization framework. These included</p> <ul style="list-style-type: none"> • employing a broad suite of tools to address misaligned incentives, which may include measures to improve loan origination standards, and to align compensation arrangements with long-term performance and asset quality. • encouraging markets to improve transparency to ensure that investors, other market participants, and supervisors have access to relevant and reliable information. • encouraging greater document standardisation and less product complexity, which should assist in reducing information asymmetries and stimulating liquidity in secondary securitization markets. <p>The report noted differences in approach to risk retention requirements between the US and Europe and highlighted the importance of consistent and aligned approaches in developing a regulatory framework for</p>	<p>the basis of a Report to be released for public consultation in mid 2012 (The “Consultation Report”). The Consultation Report will take into account feedback and comments from within TFUMP and the Technical Committee.</p> <p>Expected commencement date: Mid-2012</p> <p>Web-links to relevant documents:</p>

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					<p>these issues. The report also urged authorities to strive for consistency across global markets and sectors (taking into consideration local market circumstances, business models and legal systems). It also urged relevant authorities to resolve uncertainty as to the development and implementation of regulations and guidance in a timely manner.</p> <p>In September 2011, the staff of the U.S. Securities and Exchange Commission (SEC) and the European Commission (EC) were undertaking a preliminary analysis of developments in the US and the European Union. That analysis was undertaken during the fourth quarter of 2011 with a report (“the EC/SEC Report”) submitted to IOSCO's Technical Committee at its February 2012 meeting in Tokyo. The analysis focused on differences in regulatory approach between the US and the European Union and the impact of those differences. It considered both risk retention and transparency requirements (focusing in more detail on the former). The EC/SEC report carefully outlined the status of developments in both jurisdictions noting that rules were in the process of being implemented or complementary rulemaking to be adopted on both sides of the Atlantic.</p>	

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					<p>The EC/SEC Report concluded that although there were differences in regulatory details and approach those differences did not amount to material incompatibilities (that is it was possible for market participants to comply with both regimes without conflict). The intent of both regimes was similar. The Report acknowledged, however, that rules may subject “cross border market participants in certain limited situations to the additional regulatory burden required to comply with two similar but independent regulatory regimes”.</p> <p>Web-links to relevant documents: http://www.iosco.org/library/pubdocs/pdf/IOSCO348.pdf http://www.bis.org/publ/joint26.pdf</p>	
8 (18)	(Lon)	Improvement in the risk management of securitisation, including retainment of a part of the risk of the underlying assets by	The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and	By 2010	<p>Implementation ongoing:</p> <p><input checked="" type="checkbox"/> Draft regulations/guidelines being developed, expected publication by End 2012 (Solvency II implementing measures)</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>

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	(Pitts)	<p>securitisation sponsors or originators</p>	<p>quantitative retention requirements by 2010.</p> <p>Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently.</p>	<p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The Solvency II Directive requires the Commission to adopt delegated act specifying requirements (i) that need to be met by the originator, in order for an insurer to be allowed to invest in such instruments issued after 1 January 2011, including requirements that ensure that the originator, the sponsor or the original lender, retains a net economic interest of not less than 5 per cent. (ii) qualitative requirements that must be met by insurer which invest in such instruments. COM drafted these delegated acts and is expected to publish them end 2012</p> <p>The European Commission is undertaking a sectoral approach that imposes obligations on regulated institutions that invest in ABS, including credit institutions, insurance companies and funds. Accordingly, the EU rules affecting ABS are contained in various directives and legal frameworks directed at regulated investors in ABS.</p> <p>The Capital Requirement Directive The Capital Requirement Directive (CRD)</p>	

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					<p>III has been in effect since the end of 2010. The CRD requires that, when a regulated institution invests in ABS, the —originator, the original lender or the —sponsor must retain an economic interest of no less than 5% in the assets collateralizing the issuance of the ABS. The CRD defines —sponsor□ as a credit institution other than an originator that establishes and manages an asset backed commercial paper program or other securitization scheme that purchases exposures from third-party entities. The CRD defines an —originator□ as either (a) an entity which, either itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposure being securitized; or (b) an entity which purchases a third party’s exposures onto its balance sheet and then securitizes them.□ The new Directive also significantly increases the levels of capital that banks and investment firms must hold to cover their risks.</p> <p>Legal Framework for Alternative Investment Fund Managers The legal framework for Alternative Investment Fund Managers (AIFM), which will become effective in July 2013, provides conditions to be met by AIFM and</p>	

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					<p>collective investment companies when investing in securitization instruments, including the retention requirement applicable to originators and qualitative requirements. This legal framework will ensure consistency with the CRD. The changes to the Undertakings for Collective Investment in Transferable Securities Directives (UCITS) and AIFM Directives introduce the principle that investment managers should not rely solely and mechanically on external credit ratings.</p> <p>The Prospectus Directive The Prospectus Directive has been in effect since the end of 2005. Certain amendments to it will become effective in July 2012 and improve the ongoing provision of information regarding underlying assets, allowing investors in securitized products to make well informed decisions and better exercise due diligence.</p> <p>The Credit Rating Agencies Regulation The Credit Rating Agencies Regulation has been in effect since the end of 2010. The European Commission adopted legislative proposals to amend it in November 2011 (CRA III). A general provision in the legislative proposal would require the European Supervisory Authorities to avoid reference to external ratings in their</p>	

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					<p>guidelines where such references would enhance the risk of overreliance and to review and, if possible, remove existing references. A similar provision is addressed to the European Systemic Risk Board (ESRB).</p> <p>Moreover, with regard to issuers of ABS, CRA III requires: (1) the issuers of ABS (or their related third parties) who solicit a rating to engage two credit rating agencies, independent from each other, to issue two independent credit ratings in parallel on the same ABS instrument; (2) issuers (or originators or sponsors) to disclose specific information on structured finance products on an ongoing basis through a centralized website operated by ESMA; and (3) a rotation rule for CRAs engaged by the issuer of ABS to either rate the issuer itself or its debt instruments (i.e., it does not apply to unsolicited ratings). The CRA engaged should not be in place for more than 3 years or for more than a year if it rates more than ten consecutive rated debt instruments of the issuer (the rotation period is extended to 6 years if rated by two CRAs).</p> <p>Market in Financial Instruments Directive In addition, new rules have been proposed by the European Commission, under the review of the Market in Financial</p>	

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					<p>Instruments Directive, to introduce pre-trade and post-trade transparency requirements for trading in securitization products.</p> <p>Web-links to relevant documents:</p> <p>http://ec.europa.eu/internal_market/bank/regcapital/index_en.htm</p> <p>http://ec.europa.eu/internal_market/investment/alternative_investments_en.htm</p> <p>http://ec.europa.eu/internal_market/securities/prospectus/index_en.htm</p> <p>http://ec.europa.eu/internal_market/securities/agencies/index_en.htm</p> <p>http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm</p>	
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	<p>Implementation ongoing:</p> <p><input checked="" 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>The legal framework for the insurance sector has not yet been finalized. Level 2 implementing measures to Solvency II (effective 1 January 2013) will also introduce requirements on insurers' ability to invest in repackaged loans, which are consistent with those being introduced in the banking sector.</p>

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					<input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Insurance EU proposals relating to the insurance sector (Solvency II) would introduce requirements on insurers' ability to invest in repackaged loans, which are consistent with those being introduced in the banking sector. This includes the transitional measure on investments in repackaged loans issued before 1 January 2011. Under these proposals, insurance and reinsurance undertakings investing in ABS will likely be subject to: <ul style="list-style-type: none"> (i) Capital Requirements for all investments under Solvency II calibrated to a 99.5% value at risk over a 1 year time horizon; (ii) Higher market risk capital requirements for —re-securitization <input type="checkbox"/> exposures currently being discussed in the context of the Solvency II implementing measures; (iii) A prudent person principle that limits insurance and reinsurance undertakings' investments to assets that they can properly identify, measure, monitor, manage, control and report. In particular, provisions 	Expected commencement date: Web-links to relevant documents:

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					<p>are currently being discussed that will require insurance and reinsurance undertakings that invest in the securities to be allowed to make their decisions only after conducting comprehensive due diligence in the context of the Solvency II implementing measures;</p> <p>(iv) Important enhancements regarding how insurance and reinsurance undertakings should manage the risks of securitization positions that are currently being discussed in the context of the Solvency II implementing measures; and</p> <p>(v) In order to ensure transparency, requirements to publicly disclose information about any investments in repackaged loans.</p> <p>Web-links to relevant documents:</p> <p>http://ec.europa.eu/internal_market/insurance/solvency/index_en.htm</p>	
10 (20)	(FSF 2008)	Strengthening of supervisory requirements or best practices for investment in structured products	II.18 Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for	Ongoing	<p>Implementation ongoing:</p> <p><input checked="" type="checkbox"/> Draft regulations/guidelines being developed, expected publication by End 2012 (Solvency II implementing measures)</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>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			investment in structured products.		<input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: See above 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 checked="" type="checkbox"/> Draft regulations/guidelines being developed, expected publication by End 2012 (Solvency II implementing measures) <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: The Solvency II Directive requires the Commission to adopt delegated acts	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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					specifying the information which must be disclosed by (re)insurance undertakings. The draft delegated acts developed by the Commission include qualitative and quantitative information on securitised products and their underlying assets above Web-links to relevant documents:	
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	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 2006 Overview (short description) of action(s) taken: Yes, in place since 2006 The Solvency II Directive sets out enhanced and wide group supervision in relation to all insurance groups. This covers quantitative requirements (calculation of the solvency at the level of the group), qualitative	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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					<p>requirements (group governance and risk management) and enhanced market discipline (disclosure and reporting requirements). A group supervisor is responsible for group supervision and colleges should be set up to facilitate cooperation and exchange of information, both in going concern and in emergency situations.</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 checked="" type="checkbox"/> Draft regulations/guidelines being developed, expected publication by End 2012 (Solvency II implementing measures)</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: Supervisory Colleges for insurance groups are being established in EU in preparation for Solvency II, also with the active participation of EIOPA</p> <p><input checked="" type="checkbox"/> Completed as of 2010</p> <p>Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>achieved by the Committee of European Banking Supervisors/EBA, 36 biggest groups. All European Economic Area cross border banking groups had a college of supervisors in place by the end of 2010.</p> <p>The Solvency II Directive envisages that Colleges are set out in relation to all insurance groups.</p> <p>Web-links to relevant documents:</p>	
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: see above</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):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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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 should be improved at both national and international levels.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by End 2012 <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 <p>Overview (short description) of action(s) taken: Legally possible. Insights and alerts into day-to-day supervision are being introduced. The Solvency II Directive requires the Commission to adopt delegated acts on Colleges, specifically on the systematic exchange of information between supervisors in the College. Guidelines on the functioning of College are being developed by EIOPA.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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16 (10)	(Seoul)	More effective oversight and supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention.	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 1 January 2011- new EU supervisory architecture Overview (short description) of action(s) taken: See above Web-links to relevant documents:	<p>Planned actions (if any):</p> <p>Expected commencement date:</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	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:	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			understand and manage the risks.		<input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Being developed by the European Supervisory Authorities Web-links to relevant documents:	
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 risk.	Ongoing	Implementation ongoing: <input checked="" type="checkbox"/> Draft regulations/guidelines being developed, expected publication by Capital Requirements Directive IV /Regulation implementing Basel III in Europe is currently under discussion at the EU legislative bodies. <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 1 January 2011 Overview (short description) of action(s) taken: Following the conclusion of the legislative process in autumn 2010, the European	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>Systemic Risk Board became operational as of 1 January 2011.</p> <p>In April 2009, the Commission adopted a proposal for a comprehensive legislative instrument establishing regulatory and supervisory standards for hedge funds, private equity and other systemically important market players. The identification and mitigation of macroprudential risks arising from this sector is at the core of this proposal. The proposal is in line with the declaration of the G20, the IOSCO principles of Hedge Fund Oversight and the recommendations of the recent Joint Forum report on the Differentiated Nature and Scope of Financial Regulation. . (Agreed by European Parliament and Council in November 2010).</p> <p>Web-links to relevant documents:</p>	
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	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 1 July 2013</p> <p><input checked="" 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
			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.		<input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Recommendation of the ESRB of 22 December 2011 on the macro-prudential mandate of national authorities (ESRB/2011/3), OJ 2012/C 41/01. Web-links to relevant documents: http://www.esrb.europa.eu/pub/pdf/recommendations/2011/ESRB_2011_3.en.pdf?30a79238dcfbd1fc7f8bfd9eb163c1d7	
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 indicators of leverage as guides for policy, both at the institution-specific and at the	End-2009 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: under consideration <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: AIFM Directive empowers authorities to limit leverage in situations threatening the	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
	(Cannes)		<p>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>stability of financial markets</p> <p>Web-links to relevant documents:</p>	
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: European Systemic Risk Board has been</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
					tasked with this <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: 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	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 2002 Overview (short description) of action(s) taken: Possible under Capital Requirements Directive and Financial Conglomerates Directive (2002) and Insurance Groups Directive (1998)	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
					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> <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 11 May 2011 <p>Overview (short description) of action(s) taken: Regulation 1060/2009 is amended to attribute centralised supervision of rating agencies to the European Securities and Markets Authority (ESMA) which has full regulatory oversight which is in force since 1st of July 2011(Regulation 513/2011).</p> <p>Web-links to relevant documents: http://ec.europa.eu/internal_market/securities/agencies/index_en.htm http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?u</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
					ri=OJ:L:2011:145:0030:0056:EN:PDF	
24 (36)	(Lon)	CRA practices and procedures etc.	<p>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.</p> <p>CRA's 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.</p> <p>The oversight framework should be consistent across jurisdictions with</p>	End-2009	<p>Implementation ongoing:</p> <p><input checked="" 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 16 Sept 2009</p> <p>Overview (short description) of action(s) taken: Regulation 1060/2009 ensuring registration and authorisation of rating agencies and addressing conflicts of interests, transparency of rating methodologies, publication of track record of ratings.</p> <p>Web-links to relevant documents: http://ec.europa.eu/internal_market/securities/agencies/index_en.htm</p> <p>http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2009:302:SOM:EN:HTML</p>	<p>Planned actions (if any): New proposal amending regulation 1060/2009 addressing overreliance on ratings, transparency of sovereign ratings, choice in rating industry and rules on conflicts of interests due to the issuers pays model, proposed on 15 November 2012 (COM (2011)747 final).</p> <p>Expected commencement date: Not yet determined</p> <p>Web-links to relevant documents: http://ec.europa.eu/internal_market/securities/agencies/index_en.htm</p> <p>http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2009:302:SOM:EN:HTML</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			appropriate sharing of information between national authorities, including through IOSCO.			
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> <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><input checked="" type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Third Country regime foreseen in Regulation 1060/2009, allowing for endorsement of third country ratings and equivalence of third country regimes</p> <p>Web-links to relevant documents: http://ec.europa.eu/internal_market/securities/agencies/index_en.htm http://eur-</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
	(Cannes)		<p>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>			
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	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of	Planned actions (if any): Expected commencement date:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards.		<input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: The convergence project of the IASB and the FASB has not been completed (initially expected end-2011 now postponed to 2013). <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Web-links to relevant documents:
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	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input checked="" type="checkbox"/> Final rules expected to be in force by Final IFRS standard on fair value measurement was published in May 2011. It is applicable for annual periods beginning or after 1 January 2013 <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of	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>Overview (short description) of action(s) 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	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: The IASB's project to revise accounting standard for financial instruments (IAS 39) was divided in 3 phases. The FASB intends to commence redeliberations on the hedge accounting model once the deliberations on classification and measurement are complete. The FASB and the IASB hold joint meetings to discuss their proposed models.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</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
			financial asset categories; (iii) Simplifying hedge accounting requirements.		Web-links to relevant documents:	
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 /	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 Overview (short description) of action(s) taken: EC supports and actively participates in the Standing Committee of Standard Implementation to promote and further develop this policy strand. EC ensures that the EU regulatory financial framework is coherent with international regulatory standards and follows this up by monitoring its implementation. All EU Member States have been subject to	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
			World Bank FSAP reports.		an FSAP assessment. Web-links to relevant documents:	
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 checked="" type="checkbox"/> Draft regulations/guidelines published as of June 2011 CRDIV <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of <p>Overview (short description) of action(s) taken: CRD IV proposal strengthens the requirements regarding risk management practices and structures of credit institutions putting in place clear rules and standards with regard to the role and independence of the risk management function and the overall risk oversight by boards. These rules are in line with the revised Basel Principles for enhanced corporate governance. EBA adopted final guidelines on internal governance which cover risk management</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
					and internal control issues. Web-links to relevant documents:	
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> <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: 2011 EU Capital Exercise</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: On 8th December 2011 EBA recommended the creation of a temporary capital buffer in the form of a capital target to be attained by 30 June 2012.</p> <p>Web-links to relevant documents: http://www.eba.europa.eu/capitalexercise/2011/2011-EU-Capital-Exercise.aspx</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
33 (4)	(FSF 2008)	Monitoring the implementation of updated	II.10 National supervisors should closely check	Ongoing	<p>Implementation ongoing:</p> <p><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	
		guidance on liquidity risk	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.		<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: N/A <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Expected commencement date: Web-links to relevant documents:
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	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: Recommendation of the ESRB of 21 September 2011 on lending in foreign currencies (ESRB/2011/1), OJ C 342. <input type="checkbox"/> Completed as of	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>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents: http://www.esrb.europa.eu/recommendations/html/index.en.html</p>	
35 (39)	(Pitts)	Robust, transparent stress test	We commit to conduct robust, transparent stress tests as 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: The 2011 EU-wide stress test results and recommendation</p> <p><input checked="" type="checkbox"/> Completed as of 15 July 2011</p> <p>Overview (short description) of action(s) taken: On 15 July, 2011 EBA issued its first formal recommendation stating that national supervisory authorities should require banks whose CT1R falls below the 5% threshold to promptly remedy their capital shortfall. The EBA has also recommended that national supervisory authorities request all</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>banks whose CT1R is above but close to 5%, and which have sizeable exposures to sovereigns under stress, to take specific steps to strengthen their capital position. Progress reports: February and July 2012.</p> <p>Web-links to relevant documents: http://www.eba.europa.eu/EU-wide-stress-testing/2011/2011-EU-wide-stress-test-results.aspx</p>	
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.	<p>Ongoing</p> <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 2008</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</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	
37 (41)	(WAP)	Enhanced risk disclosures by financial institutions	Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate.	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 checked="" type="checkbox"/> Final rules expected to be in force by</p> <p>In December 2011 the IASB and the FASB published common disclosure requirements that will enable users of financial statements to have a more complete understanding of the effects of offsetting arrangements on an entity's financial position. The disclosures are effective from 1 January 2013.</p> <p>In May 2011 the IASB issued IFRS 12 Disclosure of interest in other entities. IFRS 12 enhances the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. The new requirements are effective from 1 January 2013.</p> <p>In October 2010 new disclosure requirements in relation with transferred financial assets were issued by the IASB. They are effective since 1 July 2011.</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</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
					Overview (short description) of action(s) taken: Web-links to relevant documents:	
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	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input checked="" type="checkbox"/> Draft regulations/guidelines published as of October 2011 (MiFID review and Market Abuse Directive review) <input checked="" type="checkbox"/> Final rules expected to be in force by Mid 2014 <input type="checkbox"/> Others, please specify:	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
			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.		<input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: The new MiFID (markets in Financial Instruments Directive) will introduce specific requirements on HFT. The new MAR (Market Abuse Regulation) will cover all trading venues regulated by MiFIR. Web-links to relevant documents: Review of MiFID http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm Regulation on Market Abuse http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0651:FIN:EN:PDF Directive on Criminal Sanctions for Market Abuse http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0654:FIN:EN:PDF	
40 (new)	(Cannes)	Enhanced market transparency in	We need to ensure enhanced market transparency, both	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by	Planned actions (if any):

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
		commodity markets	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	<input checked="" type="checkbox"/> Draft regulations/guidelines published as of October 2011 (MiFID review and Market Abuse Directive review) <input checked="" type="checkbox"/> Final rules expected to be in force by End of 2014 <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: The new MiFID will introduce specific requirements on commodity derivatives markets, including registration of market participants, transparency requirements and position limits. The new MAR will increase the transparency and the integrity of the derivatives and the commodity derivatives markets including OTC transactions. Web-links to relevant documents: Review of MiFID http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm Regulation on Market Abuse http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0651:FIN:EN: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
			implementation of its recommendations by the end of 2012		Directive on Criminal Sanctions for Market Abuse http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0654:FIN:EN:PDF	
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 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.	Ongoing	<p>Implementation ongoing:</p> <input checked="" type="checkbox"/> Draft regulations/guidelines being developed, expected publication by May 2012 (Consumer Package - UCITS V, IMD II and PRIPs) <input checked="" type="checkbox"/> Draft regulations/guidelines published as of October 2011 (MiFID review) to further strengthen the current MiFID framework which, since November 2007, covers the areas mentioned in the OECD principles. <input checked="" type="checkbox"/> Final rules expected to be in force by The end of 2014. <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: On-going revision of the Insurance Mediation Directive (IMD) and of the Markets in Financial Instruments Directive</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>(MiFID). A new initiative on Investment Products' Disclosure (PRIPs Regulation)</p> <p>As far as the provision of investment services to retail clients is concerned, the current regulatory framework is broadly in line with the high level principles prepared by the OECD. Rules on the protection of investors are included in Directive 2004/39/EC (MiFID) and its implementing measures. They cover the provision of investment advice and other investment services. In line with the OECD principles, they include information requirements, suitability obligations and other conduct of business rules as well as organisational requirements for investment firms and credit institutions providing the services (including conflicts of interest requirements). With the review of MiFID published on 20 October 2011 we are broadening the scope of the directive to entities and products previously not covered and further strengthening the existing framework.</p> <p>The workstream on Packaged Retail investment products (PRIPs) will further deliver on investor protection by introducing the obligation to provide a clear, short and standardised key investor information document to explain the characteristics and the risk of every</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>investment product.</p> <p>1. The Mortgage Credit Directive – Proposal published on 31 March 2011 – Adoption expected by end 2012. Entry into force foreseen in 2014.</p> <p>The proposal for a Directive introduces a higher level of protection for consumers through robust rules concerning advertising, pre-contractual information, advice, creditworthiness assessment, and early repayment. The requirement to provide personalised information to the consumer through a European Standardised Information Sheet will allow consumers to compare mortgage conditions from different providers. The proposed Directive also sets up a legal framework to ensure that all actors involved in the origination and distribution of mortgage credit are appropriately regulated (e.g. credit intermediaries, non-banks) and introduces a European passport for credit intermediaries. The aim is to create a more efficient and competitive single market for mortgages by establishing a level playing field for all actors involved and making cross-border activity easier.</p> <p>2. Bank account package – Proposal</p>	

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					<p>expected by end 2012</p> <p>The objective of this initiative is to ensure that consumers residing in the EU have access to a bank account, if they so wish, can make informed decision in choosing their bank or payment institution and thus take advantage of better and cheaper banking services. This implies that bank fees are transparent, can be easily compared and that changing bank account providers is a smooth process. Ultimately, this should guarantee a much needed competitive drive in the market leading to innovation, cost savings and better quality banking services for all.</p> <p>Web-links to relevant documents:</p> <p>Current MiFID http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2004L0039:20110104:EN:PDF</p> <p>Review of MiFID http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm</p> <p>http://ec.europa.eu/internal_market/finances-retail/investment_products_en.htm</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					http://ec.europa.eu/internal_market/insurance/mediation_en.htm http://ec.europa.eu/internal_market/finances-retail/credit/mortgage_en.htm http://ec.europa.eu/internal_market/consultations/2012/bank_accounts_en.htm	

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