



## Regulatory Radar

Regulatory Newsletter, Issue 20, January 2010

Newsletter on banking and financial regulation

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Last week, the CBFA asked the Belgian insurance undertakings to report by the end of March, how the undertaking is preparing for Solvency II, expressing the expectation that insurance undertakings participate in the upcoming QIS5 exercise later this year, and hinting that it will be difficult to get internal model approval at the Solvency II go live date end 2012 if the undertaking does not participate in the QIS5 process. A clear call to arms for the Belgian insurance industry.

Solvency II is a much more radical piece of regulation than was Basel II, reflecting the evolving (dare we say, maturing) understanding of society as a whole of risk management and measurement at large. Due to the significant freedom that the directive offers in terms to an undertaking's internal models for the valuation of insurance liabilities and capital requirements, it is difficult to foresee what the impact will be on the profitability of insurance companies, and ultimately on the pricing (or even availability) of insurance cover. One risk category that the insurance industry is hesitantly rediscovering is liquidity risk. As the banking crisis reminded us, one can be solvent, but still skirt with bankruptcy due to liquidity issues. Obviously, the liquidity risk at insurance companies is mostly limited to the asset side. Insurers rightly claim that the long term nature of their liabilities allows them to invest in illiquid assets, reaping a higher return.

Consequently, some go on to say, they can also reflect this higher (expected) return in a sharper product pricing and lower technical provisions. The flip side of this extra return, the exposure to liquidity risk, is not compensated under the current Solvency II rules with capital requirements. Therefore, given the absence of a deep understanding of the risk-return balance regarding investing in illiquid assets, and given the absence of mature thinking around the management of this risk, we would urge insurance companies to be prudent in reflecting this in their pricing and valuation.

In January, interesting publications have been issued on topics such as: adherence to international standards, compensation practices at banks, assessment and modelling of systemic risk, solvency II, the supervision

of internationally active insurance groups and on the key issues in financial regulation in the international banking, securities, and insurance sectors.

We hope you enjoy the reading.

The Editorial Board.



## Financial Services Industry

### Normative documents

#### **Official Journal of the European Union (OJ)**

[Commission Regulation \(EU\) No 70/2010 of 25 January 2010](#) amending for the 119th time Council Regulation (EC) No 881/2002 imposing certain specific restrictive measures directed against certain persons and entities associated with Usama bin Laden, the Al-Qaida network and the Taliban – OJ L 20 of 26/01/2010

[Commission Notice for the attention of the persons, entities, bodies and groups added to the list referred to in Articles 2, 3 and 7 of Council Regulation \(EC\) No 881/2002](#) imposing certain specific restrictive measures directed against certain persons and entities associated with Usama bin Laden, the Al-Qaida network and the Taliban, by virtue of Commission Regulation (EU) No 70/2010 (2010/C 19/11) – OJ C 19 of 26/01/2010

[Guideline of the European Central Bank of 4 December 2009](#) amending Guideline ECB/2007/9 on monetary, financial institutions and markets statistics (ECB/2009/23) (2010/34/EU) – OJ L 16 of 21/01/2010

[Commission Regulation \(EU\) No 26/2010 of 12 January 2010](#) amending Council Regulation (EC) No 872/2004 concerning further restrictive measures in relation to Liberia – OJ L 9 of 14/01/2010

[Council Decision 2010/16/CFSP/JHA of 30 November 2009](#) on the signing, on behalf of the European Union, of the Agreement between the European Union and the United States of America on the processing and transfer of Financial Messaging Data from the European Union to the United States for purposes of the Terrorist Finance Tracking Program – OJ L 8 of 13/01/2010

#### **Official Journal of Belgium**

On 7 January 2010, the Official Journal of Belgium published the royal decree of 30 December 2009 regarding execution of the law of 24 July 2008, focusing in particular on articles 30,32,40,41 and 45 (sleeping accounts, safes and insurance contracts). ➔ More

information can be found [here](#).

In January, 3 laws transposing the Directive 2007/64 of the European Parliament and of the council of 13 November 2007 on payment services in the internal market have been published:

- the [Law of 10 December 2009](#) on payment services published on 15 January 2010 (the Payment Services Law);
- the [Law of 21 December 2009](#) on the status of payment institutions, access to the activities of payment service providers and payment systems published on 19 January 2010 (the Payment Institution Law);
- the [Law of 22 December 2009](#) amending the Law of 2 August 2002 on the supervision of the financial sector and on financial services and introducing an injunction (action en cessation/vordering tot staking) for violation of the Payment Services Law published on 19 January 2010.

On 20 January, the royal decree of 10 January 2010 regarding the announcement of the list of payment and securities exchange systems that are governed by the Belgian law was published. ➔ More information can be found [here](#).

On 26 January, the law of 18 January 2010 amending the law of 11 January 1993 on the prevention of the use of the financial system for the purpose of money laundering and terrorism financing and the Company Code was published. ➔ More information can be found [here](#).

## Consultative or informative documents

### **Official Journal of the European Union (OJ)**

[Opinion of the European Central Bank of 11 January 2010](#) on a proposal for a directive of the European Parliament and of the Council amending Directives 2003/71/EC and 2004/109/EC (CON/2010/6) (2010/C 19/01) – OJ C 19 of 26/01/2010.

[Opinion of the European Central Bank of 8 January 2010](#) on three proposals for regulations of the European Parliament and of the Council establishing a European Banking Authority, a European Insurance and Occupational Pensions Authority and a European Securities and Markets Authority (CON/2010/5) (2010/C 13/01) - OJ C 13 of 20/01/2010.

## **Banking, Finance and Insurance Commission (CBFA)**

### **Annual Accounts**

On 12 January, the CBFA has announced the availability of the annual accounts [model](#) for credit institutions, investment firms and management companies of undertakings for collective investment.

## **Eurofinas**

### **Financial education**

In the December issue of the ACCIS newsletter, Eurofinas published an [article](#) on the growing importance of financial education in Brussels in the context of the ongoing European political debate on responsible lending and borrowing.

### **Data protection**

In a [press release](#) of 6 January, Eurofinas calls for a more uniform interpretation of existing rules on data protection by EU Member States.

### **Consumers rights directive**

In a [press release](#) of 18 January, Eurofinas has published a statement under the title: The Consumer Rights Directive: an ill-suited framework for the lending market. On 19 January, Eurofinas also published a [position paper](#) on the European Commission's proposal for a directive on consumer rights.

## **European Parliament**

### **Social impact of crisis**

On 28 January 2010, the European Parliament published the following press release: [Social impact of the crisis: sweeping reforms needed](#).

### **Supervisory package of the financial system**

On 27 January 2010, the European Parliament published the following press release: [Supervisory package of the financial system: Members of European Parliament quiz the experts](#).

### **Late payments in commercial transactions**

On 27 January 2010, the European Parliament published the following press release: [Late payments in commercial transactions: public authorities in the spotlight](#), where a view is given on potential measures and consequences of late payments by public authorities.

### **Recovery from crisis**

On 20 January 2010, the European Parliament published the following press release: [EU's Spanish Presidency kicks off: Recovery from crisis is the primary aim](#).

### **Internal market and services**

On 13 January 2010, the European Parliament published

the [Summary of hearing of Michel Barnier – Internal Market and Services](#). The main topics addressed were the need to give fresh impetus to the internal market and the need to improve regulation of the financial services industry were the main topics addressed

## **European Commission**

### **European Financial Integration Report (EFIR)**

On 7 January, the European Commission published its European Financial Integration Report (EFIR). The report contains an annual analysis of the integration in the EU financial sector and its impact on competition, efficiency, financial stability and global competitiveness of EU financial markets. It also includes a progress report on EU financial services policy achievements in 2009. For more information, see:

[http://ec.europa.eu/internal\\_market/finances/fim/index\\_en.htm](http://ec.europa.eu/internal_market/finances/fim/index_en.htm)

### **Retail financial services: Commission consults on a study on tying and other potentially unfair commercial practices**

On 15 January, the European Commission published an external study which it had commissioned on "tying and other potentially unfair commercial practices in the retail financial services sector". Tying occurs when two or more products are sold together in a package and at least one of these products is not sold separately, such as tying a current account to a mortgage or a consumer loan. Other potentially unfair practices include conditional sales practices and aggressive commercial strategies. The objective of the study, which does not necessarily represent the views of the European Commission, was to present a comprehensive inventory of these practices in all 27 EU Member States and to analyse the potential impact of these practices for different stakeholder groups. The study is a follow-up to the December 2007 White Paper on the Integration of EU Mortgage Markets ([IP/07/1955](#)). The study will be open for consultation until 14 April 2010. The study and the consultation document are available at:

[http://ec.europa.eu/internal\\_market/consultations/2010/tying\\_en.htm](http://ec.europa.eu/internal_market/consultations/2010/tying_en.htm)

## **European Regulators Group (ERG)**

### **Body of European Regulators for Electronic Communications**

Following the ERG Extraordinary Plenary Session in Brussels to inaugurate Body of European Regulators for Electronic Communications on 28 January 2010, the ERG have issued the following [Press Release](#) to establish the new Communications Body. More information can be found [here](#).

## **Financial Stability BOARD (FSB)**

### **Strengthening adherence to international standards**

In a [press release](#) of 9 January, the FSB has published its framework for strengthening adherence to international standards. The FSB, working through the Standing Committee on Standards Implementation, will foster a race to the top, wherein encouragement from peers motivates all countries and jurisdictions to raise their level of adherence to international financial standards

### **Principles for sound compensation practices**

In a [press release](#) of January 9<sup>th</sup>, the FSB has launched a peer review of implementation of the FSB Principles for Sound Compensation Practices and their Implementation Standards. The Principles and Standards were endorsed by the G20 Leaders at their Summits in London in April 2009 and Pittsburgh in September 2009. In their Pittsburgh statement, G20 Leaders tasked the FSB “to monitor the implementation of FSB standards and propose additional measures as required by March 2010.”

### **Moral hazard risk**

In a [press release](#) of 22 January, the FSB welcomes the US proposals for reducing moral hazard risk.

## **International Monetary Fund (IMF)**

### **Portfolio Investment**

On 29 January 2010, IMF released [Expanded and Updated 2008 Coordinated Portfolio Investment Survey Data](#).

### **Global Financial Stability Report**

On 29 January 2010, IMF published the [Transcript of a Press Conference on the Updates of the IMF's Global Financial Stability Report and World Economic Outlook](#). To read the report, please click [here](#). To watch the Webcasts, please click [here](#).

### **Emerging Market Corporate Debt**

On 29 January 2010, IMF published its [Working Paper 10/26](#) entitled International Pricing of Emerging Market Corporate Debt: Does the Corporate Matter?

### **Financial Shocks and TFP Growth**

On 28 January 2010, IMF published its [Working Paper 10/23: Financial Shocks and TFP Growth](#).

### **Corporate Debt Restructuring**

On 26 January 2010, IMF published its [Staff Position Note 10/02: Approaches to Corporate Debt Restructuring in the Wake of Financial Crisis](#).

### **Sovereign Default Risk and Private Sector Access to Capital in Emerging Markets**

On 13 January 2010, IMF published its [Working Paper 10/10: Sovereign Default Risk and Private Sector Access to Capital in Emerging Markets](#).

### **Correlations in Emerging Market Bonds: The Role of**

## Local and Global Factors

On 11 January 2010, IMF published its [Working Paper 10/6: Correlations in Emerging Market Bonds: The Role of Local and Global Factors](#).

## International Organization of Securities Commissions (IOSCO)

### Review of the differentiated nature and scope of financial regulation

In a joint [press release](#) of 8 January, the Joint Forum (IOSCO, IAIS and the Bank of International Settlements) released its [report](#), Review of the Differentiated Nature and Scope of Financial Regulation – Key Issues and Recommendations. This review was requested by the G20 through the Financial Stability Board. The report analyses key issues arising from the differentiated nature of financial regulation in the international banking, securities, and insurance sectors. It also addresses gaps arising from the scope of regulation as it relates to different financial activities, with a particular focus on certain unregulated or lightly regulated entities or activities. The objectives of the review were to identify potential areas where systemic risks may not be fully captured in the current regulatory framework and to make recommendations on needed improvements to strengthen regulation of the financial system.

### Cross-border market abuse

In a [press release](#) of 22 January, IOSCO has announced that it has achieved its goal, set in 2005, of having its eligible membership sign onto or committed to sign the Multilateral Memorandum of Understanding concerning Consultation, Cooperation and the Exchange of Information (MMoU). IOSCO thereby completes its global framework to fight against cross-border market abuse.

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## Credit institutions and investment firms

### Normative documents

#### Banking, Finance and Insurance Commission (CBFA)

##### Periodic reporting requirements

On 12 January, the CBFA has published a [circular letter](#) on the changes to the periodic reporting requirements for credit institutions.

### Consultative or informative documents

## **Basel Committee**

### **Group of Central Bank Governors and Heads of Supervision reinforces Basel Committee reform package**

In a [press release](#) of 11 January, the Basel Committee announced that his Group of Central Bank Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision, requested the Committee to deliver a fully calibrated and finalised package of reforms by the end of this year. These reforms will deal with the following key areas:

- Provisioning;
- Introducing a framework of countercyclical capital buffers;
- Addressing the risk of systemic banking institutions;
- Contingent capital;
- Liquidity.

### **Assessment methodology for compensation practices**

In a [press release](#) of 22 January, the Basel Committee announced the publication of its ["Compensation Principles and Standards Assessment Methodology"](#) which seeks to foster supervisory approaches that are effective in promoting sound compensation practices at banks and help support a level playing field.

### **Systemic risk**

The Basel Committee published, on January, its latest working paper on ["Assessing the systemic risk of a heterogeneous portfolio of banks during the recent financial crisis"](#). This paper extends the approach of measuring and stress-testing the systemic risk of a banking sector in Huang, Zhou, and Zhu to identifying various sources of financial instability and to allocating systemic risk to individual financial institutions.

## **Committee of European Banking Supervisors (CEBS)**

### **Revised framework on Common Reporting (COREP)**

In a [press release](#) of 6 January, the CEBS announced the publication of its revised framework on Common Reporting (COREP). The COREP templates have been amended to incorporate changes of the CRD as well as CRD II amendments and will be applicable by 31 December 2010.

### **Guidelines on Supervisory Disclosure**

In a press release of 28 January, the CEBS announced the publication of its [revised Guidelines on Supervisory Disclosure](#).

### **Consultation of the EU Commission on crisis management**

In a [press release](#) of 29 January, the CEBS announced the publication of an [answer to the EU Commission's communication](#) on an EU Framework for Cross-Border Crisis Management in the Banking Sector.

## **European Central Bank (ECB)**

### **Modelling systemic risk using network analysis**

In a [press release](#) of 7 January, the ECB published the summarized [results](#) of a workshop on recent advances in modelling systemic risk using network analysis.

### **Lending survey**

In a [press release](#) of 29 January, the ECB has published its [report](#) on the results of the January 2010 bank lending survey for the euro area. The bank lending survey was developed by the Eurosystem in order to enhance the understanding of bank lending behaviour in the euro area.

## **International Monetary Fund (IMF)**

### **Banking Crisis**

On 20 January 2010, IMF published its [Working Paper 10/18: Responding to Banking Crisis: Lessons from Cross-Country Evidence](#)

### **Consultation on Financial Sector Tax**

On 20 January 2010, IMF published its [press release on Consultation on Financial Sector Tax](#). At their Summit held in September, the Group of Twenty (G-20) industrial and emerging market countries requested that the IMF analyze policy options "for how the financial sector could make a fair and substantial contribution toward paying for any burdens associated with government interventions" to repair the system

## **European Commission**

### **Conference on Cross-border Crisis Management**

On 19 March the European Commission will host a high level one-day conference on the construction of a new crisis management framework in the banking sector. The conference will provide an opportunity for the Commission to present the results of its recent public consultation and to set out its ideas on how to move forwards in this important policy area. It will also provide an opportunity for eminent speakers and panellists from different backgrounds to express their views about what should be done.

## **European Investment Bank (EIB)**

### **EIB's Statute**

On 22 of January the EIB published a brochure which contains the [Statute of the European Investment Bank \(EIB\)](#) as well as various provisions relating to the EIB taken from the Treaty on European Union and the Treaty on the Functioning of the European Union as well as from Protocols N° 7 and 28 annexed to these Treaties.

### **Evaluation of Operations Financed by the EIB in**

## **Neighbourhood and Partnership Countries between 2000 and 2008**

This [report](#), dated 18 January, has been prepared by Operations Evaluation as a contribution to the Mid-Term Review of EIB external mandates foreseen by annex II of the Council decision 2006/1016 (granting a Community guarantee to the EIB). The report should be read in conjunction with the ["Portfolio and Strategy Review of EIB activities in 2007 Partner Countries from 2000 to 2008"](#). Two other evaluation reports are also available: ["Evaluation of EIB Financing in Candidate and Potential Candidate Countries between 2000 and 2008"](#) and ["Evaluation of Operations Financed by the EIB in Asia and Latin America 2000 and 2008"](#).

## **Review of the EIB Complaints Mechanism and Transparency Policy, final draft**

On 13 January, the EIB published the final draft of the [Complaints Mechanism](#) and [Transparency Policy](#) for information on its website, together with a draft Consultation Report. The documents and consultation report are scheduled for approval by the EIB Board of Directors on 2 February 2010. The [Consultation Report](#) outlines how the consultation process was conducted; which external stakeholder submissions were received and to what extent these were taken into account (Matrix tables). The Consultation Report contains a list of formal written stakeholder contributions.

## **European Savings Banks Group (ESBG)**

### **Portfolio Hedge Accounting**

On 12 January 2010 ESBG published its [position paper on portfolio hedge accounting](#). This paper focuses on the key messages and principles on which portfolio hedge accounting should be based on. Hedge accounting is the third phase of IASB project to replace IAS 39.

## **European Mortgage Federation (EMF)**

### **Newsletter Mortgage Info January 2010**

The European Mortgage Federation issued her [newsletter](#) Mortgage Info of January 2010. It contains

- Life under the new Lisbon Treaty: what's in store?
- Global Banking Rules: consultation underway;
- Code Testing: Consumers confirm the usefulness of the ESIS for home loans!
- ECBC | Here We Go Again;
- News in brief;
- Agenda.

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## Investment products and asset management

### Consultative or informative documents

#### Committee of European Securities Regulators (CESR)

##### Transactions on OTC derivative instruments

In a [press release](#) of 19 January, CESR has published a [consultation paper](#) on guidance how to report transactions on OTC derivative instruments. The consultation seeks views by market participants on the proposed guidance by CESR. The publication is accompanied by a [feedback statement](#) on the consultation on "Classification and identification of OTC derivative instruments for the purpose of the exchange of transaction reports amongst CESR Members" and a [second paper](#) summarising decision on the technical standards by CESR Members.

##### Money market funds

In a [press release](#) of 6 January, CESR has published the [responses](#) received to its consultation on common European definition of money market funds.

##### MiFID pre-trade transparency waivers

In a [press release](#) of 6 January, CESR has published an update on the assessment of the proposals for MiFID pre-trade transparency waivers. The MiFID compliance of these functionalities has been assessed at CESR level on the basis of the new joint process that CESR launched in February 2009. The [document](#) includes information on a new assessments made at CESR level regarding an application for a waiver to be granted on the basis of the MiFID Implementing Regulation that CESR considered not to be compliant with MiFID.

##### UCITS depositaries

In a [press release](#) of 15 January, CESR has published a consolidated [report](#) on depositary obligation for all 29 CESR Members. Since late 2008, CESR has been working on a number of issues related to UCITS depositaries. At the outset, the focus was on assessing the impact of the Madoff fraud on the fund industry; this work was then widened to include consideration of the duties and responsibilities of UCITS depositaries. In this context, a mapping exercise was carried out among CESR Members to establish how the various rules on depositary obligations have been implemented in Member States.

##### Prospectuses

In a [press release](#) of 15 January, CESR has published the 10<sup>th</sup> updated of [FAQ](#) and commonly agreed positions by CESR Members regarding prospectuses. The document is intended to provide market participants with responses in a quick and efficient manner, to „everyday“ questions

which are commonly posed to the CESR secretariat or CESR Members.

### **Notification procedures of Undertakings for Collective Investments in Transferable Securities**

In a [press release](#) of 19 January, CESR has published the [results of a peer review](#) of how its Members across Europe apply CESR guidelines to simplify the notification procedures of Undertakings for Collective Investments in Transferable Securities (UCITS). A stock-take has been conducted during the course of 2008, looking into the degree of application of 13 CESR guidelines for the notification of UCITS by the 27 CESR Members.

### **European Fund and Asset Management Association (EFAMA)**

#### **International Quarterly Statistics**

On 27 January 2010, EFAMA published its [International Statistical Release Q3 2009](#). Read the press release entitled [Worldwide Investment Fund Assets and Flows](#) and the [highlights](#).

#### **European Investment Fund Data**

On 13 January 2010, EFAMA published its [November Monthly Industry Fact Sheet](#). Read the related press release entitled [European Investor Confidence in Ongoing Economic Recovery Continues](#).

### **International Monetary Fund (IMF)**

#### **Macro financial Linkages of the Strategic Asset Allocation of Commodity-Based Sovereign Wealth Funds**

On 13 January 2010, IMF published its [Working Paper 10/9: Macro financial Linkages of the Strategic Asset Allocation of Commodity-Based Sovereign Wealth Funds](#).

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## **Insurance, reinsurance and pensions**

### **Normative documents**

### **Banking, Finance and Insurance Commission (CBFA)**

On 12 January, the CBFA has published a [circular letter](#) on the information requirements for institutions involved in corporate pension provisions in accordance with Belgian law for a cross-order activity or for an activity in a country that is not located outside the European economical environment.

On 12 January, the CBFA has published a [circular letter](#) on periodic reports by insurance companies in relation to eCorporate. It also published a [circular letter](#) on the CSSR periodic reports by insurance companies in relation to CSSR-system.

## Consultative or informative documents

### **Banking, Finance and Insurance Commission (CBFA)**

On 13 January, the CBFA has published the [opinion](#) of its insurance commission on the proposal of a royal decree regarding the determination of the index figures as mentioned in article 138bis- 4 3 of the Law of 25 June 1992 regarding the property insurance contract.

### **Committee of European Insurance and Occupational Pension Supervisors (CEIOPS)**

#### **CEIOPS releases first Level 3 Guidance on Solvency II - Guidance covers preapplication process for internal models**

In a [press release](#) of 28 January, the CEIOPS announced the publication of a [Consultation Paper on Level 3 guidance for Solvency II on the pre-application process for internal models](#). This first Level 3 guidance is built on the Final Level 2 Advice on the internal model approval process submitted to the European Commission in November 2009 and represents clear evidence of CEIOPS' commitment to ensure increased convergence across EEA supervisory practices within the new solvency framework.

#### **CEIOPS approves third and final set of advice on Solvency II Level 2 measures**

In a [press release](#) of 29 January, the CEIOPS announced the publication of [its third and final set of advice](#) on Solvency II Level 2 Implementing Measures following formal approval by CEIOPS Members. This final set of advice means that CEIOPS has now delivered on the European Commission's request for technical advice of June 2009, together with a [cover letter](#) and a [Feedback statement](#). This final set of advice means that CEIOPS has now fully delivered on the European Commission's request for technical advice of June 2009.

### **European Insurance and reinsurance federation (CEA)**

#### **Examples of the Macroeconomic Extrapolation of the benchmark risk-free yield curve**

On 27 January the CEA provides examples of the macroeconomic extrapolation of the benchmark risk-free yield curve in a [position paper](#).

#### **CEA comments on the impact of US sanctions against**

### **Iran on the European insurance industry**

On 27 January the CEA comments on the impact of US sanctions against Iran on the European insurance industry in a [position paper](#).

### **CEA additional contribution to CP46 on Own Funds**

On 28 January the CEA states in a [position paper](#) an additional contribution to CP 46 on Own Funds - Ceiops' proposed treatment of expected future profits and the "winding-up gap".

## **International Association of Insurance Supervisors (IAIS)**

### **Annual Report 2008-09**

On 2 January the IAIS published its [annual report](#) on her activities from October 2008 to September 2009 including 2008 financial statements. The report covers the international actions to address the global financial crisis and the main items on the IAIS response to the financial crisis, such as:

- Internationally active insurance groups;
- Supervisory colleges for insurance groups;
- Alignment of work plans and Insurance Core Principles (ICP) review;
- Macro prudential assessments.

### **Joint Forum release of Review of the Differentiated Nature and Scope of Financial Regulation**

In a [press release](#) of 8 January, the IAIS (together with the Basel Committee and the International Organisation of Securities Commissions) released its [report Review of the Differentiated Nature and Scope of Financial Regulation](#). This review was requested by the G20 through the Financial Stability Board. The report analyses key issues arising from the differentiated nature of financial regulation in the international banking, securities, and insurance sectors. It also addresses gaps arising from the scope of regulation as it relates to different financial activities, with a particular focus on certain unregulated or lightly regulated entities or activities.

### **IAIS approves development of a Common Framework for the Supervision of Internationally Active Insurance Groups**

In a [press release](#) of 19 January, the International Association of Insurance Supervisors (IAIS) Executive Committee announced the approval of the recommendations on the design and work plan regarding a framework to better supervise internationally active insurance groups and their group wide risks.

We are always interested in your feedback. Please let us know what you think of this newsletter and send your comments to [Regulatory Radar](#).

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