

Financial Regulation: Weekly Update. 29 December 2017

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GLOBAL

- BCBS issues progress report regarding the principles for effective supervisory colleges

The [effectiveness](#) of colleges improved in: information sharing, coordination and crisis preparedness. Still challenges on legal and resource constraints, and expectations gaps.

EUROPE

- EBA issues opinion on application of the 180 DPD exemption for material exposures

It [recommends](#) to the EC that the exemption be disallowed. Hence institutions should rely on the 90 day past due (DPD) regime for all exposures.

- ESMA issues technical advice on short-selling regulation

It [includes](#) proposal regarding: exemption for market making activities, short-term bans on short-selling and transparency of net short positions.

- ESMA publishes updated documents on MiFID II and MiFIR

i) Updates key transitional [transparency](#) calculations for equity and bond instruments; ii) Updates Classification of Financial Instruments (CFI) [validation document](#) for data reporting; iii) Updates [procedure](#) and template used to report parameters for halting trading.

- ESMA issues statement on LEI, peer review on CPPs and market share for CRAs

i) Statement [supports](#) a smooth implementation of the Legal Entity Identifiers requirements; ii) [Peer review](#) to assess whether NCAs ensure that CCPs comply with EMIR requirements. Finds adequate supervision, but some divergences in practices; iii) Annual [market share](#) calculation for registered Credit Rating Agencies.

- EC seeks feedback on two proposals for directives

i) Directive on [prudential](#) supervision of investment firms. Deadline: 20 Feb; ii) Directive on date of application of [transposition](#) measures on the insurance distribution directive. Deadline: 16 Feb.

- EBA issues final Q&As on market risk and supervisory reporting

i) Market risk: cap on [own fund](#) requirements for a net position; ii) Supervisory reporting: [amended](#) validation [rules](#), and capital [requirements](#) according to the standard method.

UNITED KINGDOM

- [PRA issues policy statement regarding MiFID II passporting](#)

Following a [previous](#) consultation, it includes the MiFID II Passporting Instrument. Firms that wish to passport services would need to notify the PRA using the relevant form.

- [FCA publishes feedback statement on Distributed Ledger Technology \(DLT\)](#)

It [summarizes](#) the results from a consultation, it presents some comments on feedback received and views on recent development, and it explains the next steps to follow.

Recent publications of interest (in English and Spanish):

- [Regulation Watch](#). Financial Regulation | Basel III End Game. December 2017
- [Regulation Watch](#). Global | 2017 G-SIBs List. November 2017
- [Press Article](#). Towards more selective and enforceable international regulatory standards. December 2017
- [Press Article](#). From inspiration to action: COP24. November 2017
- [Financial Regulation Outlook](#). October 2017

Previous editions of our Weekly Regulatory Update in [Spanish](#) and [English](#).