

# Toronto Centre Publications Monitoring Report

## November 2021

*A synopsis of recently issued supervisory guidance, news releases, working papers and related documents from over 50 global and regional standard setting bodies, national regulators, international organizations and industry groups as well as the latest TC Notes. This report is prepared monthly for the TC Community. With the exception of the TC Notes, the summaries are taken from the organizations' web sites. Toronto Centre does not hold the copyright to these abstracts.*

### TC Notes

Date	Organization	Title & Abstract
November 2021	Toronto Centre	<p><b>Resilient and Inclusive Financial Services During COVID-19</b></p> <p>Toronto Centre report draws on the lessons that main actors in Zambia, Rwanda, and Sierra Leone have learned about resilience in the times of COVID-19. It identifies key insights into how these actors have continued to expand financial inclusion and what the current risks are: i) the growing importance of digital financial services both in the short term and long run as services expand; ii) the importance of an environment that is conducive to digital inclusion for the most marginalized markets; iii) the rising risks relating to trust and concerns around data privacy, transparency and fraud in a time when face-to-face models are more difficult to achieve; and iv) the need to enhance information gathering for effective and realistic supervision.</p>
November 2021	Toronto Centre	<p><b>Using SupTech to Improve Supervision</b></p> <p>Toronto Centre Note discusses the increased interest in and use of SupTech to improve the effectiveness of supervision, particularly during the COVID-19 pandemic.</p>

## TC Podcasts/Webcasts/Videos

Date	Organization	Title & Abstract
November 2021	Toronto Centre	<p><b>Digital Transformation in the Financial Industry: Implications for Financial Inclusion, Stability and Supervision</b></p> <p>The speakers at this IMF-World Bank Executive Panel discuss the implications of digital money, including central bank digital currencies, and how these developments in digital payments can facilitate financial inclusion, especially in emerging markets and developing economies.</p>
November 2021	Toronto Centre	<p><b>Integrating Gender Into Technology-Enabled Financial Sector Supervision</b></p> <p>USAID-TC panel on the culmination of a long-term project to develop the toolkit <i>Integrating Gender Into Technology-Enabled Financial Sector Supervision</i>.</p>
November 2021	Toronto Centre	<p><b>Roundtable Discussion Proceedings: Climate Risk</b></p> <p>Proceedings of a meeting of central bank governors and heads of supervisory authorities from developing and developed countries to explore the impact of climate change on their countries and financial sectors.</p>

## Standard Setting Bodies

Date	Organization	Title & Abstract
November 30, 2021	FSB	<p><b>FSB Publishes Report on Good Practices for Crisis Management Groups</b></p> <p>The report sets out good practices that have helped CMGs to enhance preparedness for the management and resolution of a cross-border financial crisis affecting a Global Systemically Important Bank (G-SIB) consistent with the FSB <i>Key Attributes of Effective Resolution Regimes for Financial Institutions</i>.</p>
November 23, 2021	FSB	<p><b>FSB Publishes 2021 G-SIB List</b></p> <p>The FSB has published the 2021 list of global systemically important banks (G-SIBs) using end-2020 data and an assessment methodology designed by the BCBS. The 30 banks on the list remain the same as the 2020 list.</p>
November 4, 2021	FSB	<p><b>FSB Highlights Implementation Progress and Gaps on Effective Compensation Practices in Financial Institutions</b></p> <p>The FSB published a progress report on the implementation of its Principles for Sound Compensation Practices and their Implementation Standards in financial institutions. The report focuses on: i) the effectiveness of compensation frameworks; ii) emerging trends; and iii) experience during the COVID-19 pandemic.</p>
November 1, 2021	FSB	<p><b>Enhancing the Resilience of Non-Bank Financial Intermediation: Progress Report</b></p> <p>This report describes progress to date and planned work by the FSB, as well as by standard-setting bodies and other international organizations, to enhance the resilience of non-bank financial intermediation.</p>

Date	Organization	Title & Abstract
November 23, 2021	BCBS	<p><b>Basel Committee Publishes More Details on Global Systemically Important Banks</b></p> <p>The BCBS has published further information related to its 2021 assessment of global systemically important banks (G-SIBs), with additional details to help understand the scoring methodology. The publication accompanies the FSB's release of the updated list of G-SIBs and includes: i) the denominators of each of the 12 high-level indicators used to calculate banks' scores; ii) the 12 high-level indicators for each bank in the sample used to calculate these denominators; and iii) the cutoff score used to identify the G-SIBs in the updated list and the thresholds used to allocate G-SIBs to buckets for the purpose of calculating the specific higher loss-absorbency requirements.</p>
November 16, 2021	BCBS	<p><b>Principles for the Effective Management and Supervision of Climate-related Financial Risks</b></p> <p>The BCBS has published a public consultation on principles for the effective management and supervision of climate-related financial risks. The document forms part of the Committee's holistic approach to address climate-related financial risks to the global banking system and aims to promote a principles-based approach to improving both banks' risk management and supervisors' practices in this area.</p>
November 22, 2021	EBA	<p><b>EBA Publishes Its Final Revised Guidelines on Internal Governance for Investment Firms Under the Investment Firms Directive</b></p> <p>The IFD contains specific governance requirements for investment firms in parallel to and consistently with the ones already applicable under the <i>Capital Requirements Directive</i> (CRD). These specific provisions apply to class 2 investment firms. All investment firms must also comply with the governance requirements under the <i>Markets in Financial Instruments Directive</i> (MiFID).</p>
November 22, 2021	EBA	<p><b>EBA Publishes Its Final Guidelines on Remuneration for Investment Firms Under the Investment Firms Directive</b></p> <p>The final guidelines provide further details on how the provisions under IFD on remuneration policies and variable remuneration of identified staff should be applied by class 2 investment firms. They are as far as possible consistent with the existing guidelines under the <i>Capital Requirements Directive</i> (CRD).</p>
November 11, 2021	EBA	<p><b>EBA Publishes Guidance on How to Grant Authorization as Credit Institution</b></p> <p>The EBA has published the Final Paper of its guidelines on a common assessment methodology for granting authorization as a credit institution. It is the first guidance addressed to all competent authorities across the EU in charge of granting authorization as a credit institution, and covers the authorization requirements set out in the <i>Capital Requirements Directive</i> (CRD).</p>
November 11, 2021	EBA	<p><b>EBA Consults on Machine Learning for Internal Ratings-Based Models</b></p> <p>The EBA published a discussion paper on machine learning used in the context of internal ratings-based (IRB) models to calculate regulatory capital for credit risk. The aim of the discussion paper is to set supervisory expectations on how new sophisticated machine learning models can coexist with and adhere to the <i>Capital Requirements Regulation</i> (CRR) when used in the context of IRB models.</p>

Date	Organization	Title & Abstract
November 10, 2021	EBA	<p><b>EBA Issues Requirements on Institutions' Pillar 3 Disclosure of Interest Rate Risk Exposures</b>  The EBA published its first draft implementing technical standards (ITS) on Pillar 3 disclosure of institutions' exposures to interest rate risk on positions not held in the trading book (IRRBB). The final draft ITS put forward comparable disclosures that will help stakeholders to assess institutions' IRRBB risk management framework as well as the sensitivity of institutions' economic value of equity and net interest income to changes in interest rates.</p>
November 9, 2021	EBA	<p><b>EBA Publishes Guidelines on Recovery Plan Indicators</b>  The EBA published guidelines on recovery plan indicators. The guidelines establish a common EU approach for developing the framework of recovery plan indicators, providing additional guidance on indicators' calibration, monitoring and breaches notifications. They aim to strengthen the quality of recovery indicators framework and contributing to effective crisis preparedness of institutions.</p>
November 18, 2021	EBA ESMA	<p><b>EBA and ESMA Consult on Framework for the Supervisory Review and Evaluation Process of Investment Firms</b>  The EBA and ESMA launched today a public consultation on their guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP). The EBA is also consulting on draft Regulatory Technical Standards (RTS) on the additional own funds requirements that could be determined by competent authorities for investment firms. Both regulatory products are based on the <i>Investment Firms Directive</i> (IFD) and aim at consistent supervisory practices with regard to the review and evaluation of investment firms.</p>
November 22, 2021	ECB	<p><b>The State of Climate and Environmental Risk Management in the Banking Sector</b>  Report on the supervisory review of banks' approaches to manage climate and environmental risks.</p>
November 2021	IAIS	<p><b>Application Paper on Combating Money Laundering and Terrorist Financing</b>  This paper provides guidance regarding money laundering and terrorist financing risks affecting the life insurance sector and proposes measures to mitigate the associated risks.</p>
November 2021	IAIS	<p><b>Application Paper on Supervisory Colleges</b>  This paper describes the processes and practices related to the establishment and functioning of supervisory colleges for insurance groups with cross-border activities.</p>
November 2021	IAIS	<p><b>Global Insurance Market Report 2021</b>  The report shares the findings from the IAIS' targeted assessment of the impact of COVID-19 on the global insurance sector, the outcome of the first full Global Monitoring Exercise (GME) of potential systemic risks and key highlights of the global reinsurance market analysis. Supervisors identified three macroeconomic risks and trends in the sector that are detailed in the report: i) the low yield environment and the related trend of growing private equity ownership of insurers; ii) increasing credit risk; and iii) heightened cyber risk.</p>
November 2021	IAIS	<p><b>Issues Paper on Insurer Culture</b>  This paper explores the role of insurer culture, which informs decisions, behaviours and practices across an insurer's business, as a critical intersection point for managing prudential and conduct risks.</p>

Date	Organization	Title & Abstract
November 29, 2021	IOSCO	<p><b>Call for Comments on Access to Central Clearing and Portability</b> IOSCO and CPMI have invited comments on their new joint consultative report <i>A Discussion Paper on Client Clearing: Access and Portability</i>. This report aims to increase the common understanding of new access models, which enable clients to directly access CCP services, and effective porting, or transferring, practices for their positions. It also seeks to identify potential issues for follow-up work.</p>
November 15, 2021	IOSCO	<p><b>IOSCO Consults on Revised Principles for the Regulation and Supervision of Commodity Derivatives Markets to Reflect Recent Market Developments</b> The revised Principles seek to ensure that commodity derivatives markets continue to facilitate price discovery and hedging, while remaining free from manipulation and abusive practices. The Principles will assist relevant Market Authorities in constructing an appropriate regulatory and supervisory approach that furthers these objectives and fosters proper conduct in commodity derivatives markets.</p>
November 2, 2021	IOSCO	<p><b>IOSCO Publishes Recommendations About Sustainability-Related Practices in the Asset Management Industry</b> IOSCO has published a set of recommendations about sustainability-related practices, policies, procedures and disclosures in the asset management industry. The report covers five areas: i) asset manager practices, policies, procedures, and disclosure; ii) product disclosure; iii) supervision and enforcement; iv) terminology; and v) financial and investor education.</p>

## National Regulators

Date	Organization	Title & Abstract
November 29, 2021	APRA	<p><b>APRA Finalizes New Bank Capital Framework Designed to Strengthen Financial System Resilience</b> APRA has finalized its new bank capital framework, designed to embed “unquestionably strong” levels of capital and align Australian standards with the internationally agreed Basel III requirements. APRA has also published updated prudential standards for capital adequacy and credit risk capital.</p>
November 11, 2021	APRA	<p><b>Consultation on Prudential Standard SPS 250 Insurance in Superannuation</b> APRA released its final revisions to Prudential Standard SPS 250 <i>Insurance in Superannuation</i> and Prudential Practice Guide SPG 250 <i>Insurance in Superannuation</i> (SPG 250). This is accompanied by a response to submissions paper, which notes the key revisions following industry consultations, in November 2019 and January 2021. The final revisions are aimed at ensuring better member outcomes through updated requirements for trustees to select, manage and monitor members’ insurance arrangements.</p>
November 3, 2021	APRA RBA	<p><b>APRA and RBA Release Joint Statement on Climate Change Financial Risk</b> APRA and the RBA have published a joint statement on the actions they are taking to ensure financial institutions and the Australian financial system are prepared to respond to the financial risks of climate change.</p>

Date	Organization	Title & Abstract
November 23, 2021	Federal Reserve FDIC OCC	<p><b>Joint Statement on Crypto-Asset Policy Sprint Initiative and Next Steps</b></p> <p>The three federal bank regulatory agencies issued a statement summarizing their interagency “policy sprints” focused on crypto-assets and providing a roadmap of future work related to crypto-assets. It summarizes the agencies’ plan to provide greater clarity throughout 2022 on whether certain crypto-related activities conducted by banking organizations are legally permissible, and related expectations for safety and soundness, consumer protection, and compliance with existing law and regulations.</p>

## International Organizations

Date	Organization	Title & Abstract
November 2021	BIS	<p><b>Does Gender Diversity in the Workplace Mitigate Climate Change?</b></p> <p>This study matches firm-corporate governance characteristics with firm-level carbon dioxide (CO2) emissions over the period 2009-2019 to study the relationship between gender diversity in the workplace and firm carbon emissions.</p>
November 18, 2021	CPMI	<p><b>Extending and Aligning Payment System Operating Hours for Cross-border Payments</b></p> <p>The CPMI has released a report that focuses on the operating hours of real-time gross settlement (RTGS) systems, which are considered key to enhancing cross-border payments.</p>