

Toronto Centre Publications Monitoring Report

September 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
September 21, 2021	Toronto Centre	A Climate Risk Toolkit for Financial Supervisors Toronto Centre toolkit addresses four broad questions corresponding to the stages that a supervisory authority should follow when addressing climate-related risks to its supervisory objectives: i) what might be the impact of climate change on your country; ii) what might be the impact of climate-related risks on financial institutions, on financial stability, and on users of financial products and services in your country; iii) what supervisory actions should be taken in response to climate-related risks; and iv) can and should supervisors do anything to influence climate change itself?

TC Podcasts/Webcasts/Videos

Date	Organization	Title & Abstract
September 10, 2021	Toronto Centre	Securities Regulators Following the Pandemic and the New IOSCO Workplan This podcast discusses the aftermath of the pandemic and what regulators should expect to face and should concentrate on. It also discusses the 2021-22 IOSCO workplan, and its position and work on climate.

Date	Organization	Title & Abstract
September 1, 2021	Toronto Centre	<p><u>Climate Risk Scenarios – A Method to Predict Future Risk and Opportunities for the Financial Sector</u> This podcast discusses how financial supervisors and regulators can use scenarios as part of their financial supervisory tools to manage risks and opportunities of climate change.</p>

Standard Setting Bodies

Date	Organization	Title & Abstract
September 30, 2021	FSB	<p><u>FSB Financial Stability Surveillance Framework</u> The FSB has published its new <i>Financial Stability Surveillance Framework</i>. The framework supports the comprehensive, methodical and disciplined review of vulnerabilities by the FSB, and thereby helps to identify and address new and emerging risks to financial stability. It embodies four key principles: i) focus on vulnerabilities that may have implications for global financial stability; ii) scan vulnerabilities systematically and with a forward-looking perspective, while preserving flexibility; iii) recognize differences among countries; and iv) leverage the comparative advantages of the FSB while avoiding duplication of work.</p>
September 21, 2021	EBA	<p><u>EBA Sees Rapid Growth in the Use of Digital Platforms in the EU's Banking and Payments Sector and Identifies Steps to Enhance the Monitoring of Market Developments</u> The EBA published today a report on the platformization of the EU banking and payments sector. It identifies a rapid growth in the use of digital platforms to 'bridge' customers and financial institutions, a trend expected to accelerate in line with the wider trend toward the digitization of the EU financial sector.</p>
September 15, 2021	EBA	<p><u>EBA Publishes Revised Guidelines on the Stress Tests of Deposit Guarantee Schemes (DGSs)</u> The EBA published today its revised guidelines on the stress tests conducted by national DGSs under the <i>Deposit Guarantee Schemes Directive</i> (DGSD). The revised guidelines extend the scope of the DGS stress testing by requiring more tests in comparison with the past guidelines and by covering all the legal missions entrusted to the DGSs.</p>
September 15, 2021	EBA	<p><u>EBA Publishes Final Guidance to Assess Breaches of the Large Exposure Limits</u> The EBA published its final guidelines specifying the criteria to assess the exceptional cases when institutions exceed the large exposure limits and the time and measures to return to compliance.</p>
September 6, 2021	EBA	<p><u>EBA's Study Shows that EU Banks' Funding Plans are Poised to Gradually Return to a Pre-pandemic Funding Composition by 2023</u> The EBA published its annual update on EU banks' funding plans. The results of the funding plans assessment show the impact the pandemic had on EU banks' funding composition. The plans point to a gradual 'normalization' of banks' sources of funding over the next three years. This implies in particular a partial replacement of central bank funding with market-based funding.</p>

Date	Organization	Title & Abstract
September 8, 2021	EBA EIOPA ESMA	<p><u>ESAs Highlight Risks in Phasing out of Crisis Measures and Call on Financial Institutions to Adapt to Increasing Cyber Risks</u></p> <p>The European Supervisory Authorities issued their second joint risk assessment report for 2021. The report highlights the increasing vulnerabilities across the financial sector, the rise seen in terms of cyber risk and the materialization of event-driven risks.</p>
September 30, 2021	IAIS	<p><u>IAIS Global Insurance Market Report Provides First Quantitative Study on the Impact of Climate Change on Insurers' Investments</u></p> <p>The IAIS has published the 2021 GIMAR special topic edition on the impact of climate change on the financial stability of the insurance sector. It assesses how insurance sector investments are exposed to climate change.</p>
September 7, 2021	IOSCO	<p><u>IOSCO Publishes Guidance for Intermediaries and Asset Managers using Artificial Intelligence and Machine Learning</u></p> <p>IOSCO published guidance to help its members regulate and supervise the use of artificial intelligence and machine learning by market intermediaries and asset managers, following its consultation report published in June.</p>

National Regulators

Date	Organization	Title & Abstract
September 15, 2021	PRA	<p><u>Supervisory Measures and Penalties in Relation to Financial Holding Companies</u></p> <p>This statement of policy sets out the PRA's approach to exercising supervisory measures over and imposing penalties upon UK parent financial holding companies and UK parent mixed financial holding companies.</p>
September 15, 2021	PRA	<p><u>Financial Holding Companies: Further Implementation – PS 20/21, CP 12/21</u></p> <p>Policy statement provides the PRA's final rules following CP 12/21 <i>Financial Holding Companies: Further Implementation</i>.</p>
September 6, 2021	PRA	<p><u>Solvency II: Definition of an Insurance Holding Company – CP 17/21</u></p> <p>This consultation paper sets out the PRA's proposed approach to interpreting and applying the definition of an insurance holding company.</p>
September 28, 2021	APRA	<p><u>Consultation on Prudential Standard SPS 530 Investment Governance in Superannuation</u></p> <p>The proposed revisions to SPS 530 respond to findings from APRA's unlisted asset valuation thematic review and APRA's 2018-2019 post-implementation review (PIR) of the superannuation prudential framework. The updates focus on enhancements to stress testing, valuation and liquidity management practices.</p>
September 3, 2021	APRA	<p><u>APRA Publishes New Details on Climate Vulnerability Assessment</u></p> <p>APRA has published an information paper outlining the purpose, design and scope of the Climate Vulnerability Assessment (CVA) that is underway with Australia's largest five banks.</p>

Date	Organization	Title & Abstract
September 2021	Bank of Canada Bank of England Bank of Japan BIS, ECB Federal Reserve Sveriges Riksbank Swiss National Bank	<u>Central Bank Digital Currencies: Executive Summary</u> This progress report summarizes the work done by seven central banks and the BIS to explore central bank digital currencies for the public. Three detailed reports are also being published on: i) system design and interoperability; ii) user needs and adoption; and iii) financial stability implications.

International Organizations

Date	Organization	Title & Abstract
September 2021	FSI	<u>Vaccinating Insurers Against Pandemics – A Review of Capital Requirements for Pandemic Risk</u> This paper reviews capital requirements related to pandemic risk as prescribed under standardized (and not internal model) approaches in selected insurance regulatory frameworks.
September 2021	IMF	<u>Strengthening the Climate Information Architecture</u> This note provides a conceptual framework around the provision of climate-related information, discusses the progress made to date, and points toward the way forward.

Industry

Date	Organization	Title & Abstract
September 2021	Geneva Association	<u>Digital Entrepreneurship and the Supportive Role of Insurance</u> This report explores how insurers are adapting their services to better meet the needs of digital entrepreneurs, as well as possible avenues for future insurance innovation.