

Toronto Centre Publications Monitoring Report

October 2019

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
October 2019	Toronto Centre	Crisis Binder: An Essential Tool for Crisis Preparedness Toronto Centre Note discusses: i) what is a crisis binder; ii) importance of having a crisis binder; iii) what makes a crisis binder useful; iv) preparing a crisis binder; and v) content of a crisis binder.
October 2019	Toronto Centre	<u>What Role Can Financial Supervisors and Regulators Play in Promoting Gender Equality and the Economic Empowerment of Women?</u> Toronto Centre Note discusses: i) obstacles to women's financial inclusion; ii) role of financial supervisors and regulators; iii) conclusion and recommendations; iv) perspective from Ghana; v) perspective from Cambodia; vi) financial inclusion index.

Standard Setting Bodies

Date	Organization	Title & Abstract
October 14, 2019	FSB	FSB Updates on Market Fragmentation Work The FSB published an update on its work on market fragmentation. The update provides information on current plans, and steps already taken, to implement the work in the four main areas.

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October 11, 2019	FSB	<p><u>FSB and IMF Publish 2019 Progress Report on G20 Data Gaps Initiative</u> The FSB and the IMF published the <i>Fourth Progress Report – Countdown to 2021</i> on the implementation of the Second Phase of the G20 Data Gaps Initiative (DGI-2). This report provides an overview of the progress since September 2018 and the challenges that remain in implementing the DGI-2 recommendations until the final deadline of 2021.</p>
October 9, 2019	FSB	<p><u>FSB Publishes UPI Governance Arrangements</u> The FSB has published a report on the governance arrangements for the globally harmonized Unique Product Identifier (UPI).</p>
October 16, 2019	BCBS	<p><u>Basel Committee Reports on Basel III Implementation Progress</u> The BCBS has issued the <i>Seventeenth Progress Report on Adoption of the Basel Regulatory Framework</i>. The progress report sets out the adoption status of Basel III standards for each Committee member jurisdiction as of end-September 2019. It includes the Basel III post-crisis reforms published by the Committee in December 2017 and the finalized minimum capital requirements for market risk in January 2019.</p>
October 2, 2019	BCBS	<p><u>Basel III Monitoring Results Based on End-2018 Data Published by the Basel Committee</u> The Basel Committee published the results of its latest Basel III monitoring exercise, based on data as of 31 December 2018. The report sets out the impact of the Basel III framework that was initially agreed in 2010 as well as the effects of the Committee's December 2017 finalization of the Basel III reforms. For the first time, it also reflects the finalization of the market risk framework published in January 2019.</p>
October 30, 2019	EBA	<p><u>EBA Publishes Opinion Proposing to Further Strengthen Depositor Protection in the EU</u> The EBA published its second opinion addressed to the EU Commission on the implementation of the Deposit Guarantee Schemes Directive (DGSD) in the EU. The opinion focuses on the payouts by deposit guarantee schemes (DGSs) and proposes a number of changes to the EU legal framework, aimed at strengthening depositor protection, improving depositor information, enhancing financial stability and reinforcing operational effectiveness of DGSs.</p>
October 23, 2019	EBA	<p><u>EBA Publishes Opinion on Disclosure to Consumers Buying Financial Services through Digital Channels</u> The EBA published an opinion addressed to the EU Commission with recommendations to ensure that disclosure requirements in EU law take account of the increasing use of digital marketing channels for financial services and the resultant issues potentially affecting consumers. The recommendations relate primarily to the scope and consistency of disclosure rules, the timing of disclosure, the presentation format and accessibility of information.</p>
October 16, 2019	EBA	<p><u>EBA Launches Consultation on Comprehensive Pillar 3 Disclosures</u> The EBA launched a public consultation on the new comprehensive Implementing Technical Standard (ITS) for financial institutions' public disclosure, designed to promote market discipline. This ambitious proposal seeks to optimize the EBA Pillar 3 policy framework by moving from a silo-based approach, with different disclosure policy products, to an all-inclusive ITS. It also implements regulatory changes introduced by the CRR2 and aligns the disclosure framework with international standards.</p>
October 10, 2019	EBA	<p><u>EBA Publishes Work Programme for 2020</u> The EBA published its detailed annual work programme for 2020, describing the specific activities and tasks of the Authority for the coming year and highlighting the key strategic areas of work for 2020.</p>

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October 2, 2019	EBA	<p><u>EBA Publishes the Regular Basel III Capital Monitoring Report and an Update on the Compliance of EU Banks with Liquidity Measures</u></p> <p>The EBA published two reports which monitor the impact of implementing the final Basel III reforms and the current implementation of liquidity measures in the EU. The EBA Basel III capital monitoring report is the latest in a regular exercise using the methodology of the BCBS and includes an assessment of the impact of the full implementation (to 2027) of the Basel III package on EU banks based on data as of 30 June 2018. The report on liquidity measures evaluates the liquidity coverage requirements currently in place in the EU.</p>
October 7, 2019	ECB	<p><u>Supervisory Priorities</u></p> <p>The supervisory priorities set out focus areas for ECB Banking Supervision in the year ahead. They build on an assessment of the main challenges facing supervised banks in the current economic, regulatory and supervisory environment and aim to ensure that banks address their key risks effectively.</p>
October 22, 2019	ESMA	<p><u>EU Enforcers Must Monitor Closely New Reporting Standards</u></p> <p>ESMA has published the priorities that European enforcers will consider when examining the 2019 annual financial reports of listed companies.</p>
October 3, 2019	ESMA	<p><u>ESMA Consults on MAR Review</u></p> <p>ESMA published a consultation paper on the provisions of the <i>Market Abuse Regulation (MAR)</i>.</p>
October 1, 2019	ESMA	<p><u>ESMA Prepares for New Responsibilities in 2020</u></p> <p>ESMA has published its 2020 Work Programme, setting out its priorities and areas of focus for the next 12 months in support of its mission to enhance investor protection and promote stable and orderly financial markets.</p>
October 4, 2019	EBA EIOPA ESMA	<p><u>ESAs Highlight Money Laundering and Terrorist Financing Risks in the EU Financial sector</u></p> <p>The three European Supervisory Authorities published their second joint opinion on the risks of money laundering and terrorist financing affecting the EU's financial sector. The ESAs found that the monitoring of transactions and suspicious transactions reporting still raise concerns, particularly in sectors where a financial institution's business model is based on frequent transactions.</p>
October 2, 2019	EBA EIOPA ESMA	<p><u>ESAs Joint Committee Defines its Priorities for 2020</u></p> <p>The Joint Committee of the European Supervisory Authorities has published its 2020 Work Programme. Areas of particular focus will be PRIIPs, financial innovation - also in relation to the European Commission's FinTech Action plan and the work of the European Forum for Innovation Facilitators (EFIF) - as well as sustainable finance and securitization.</p>
October 22, 2019	IOPS	<p><u>IOPS Supervisory Guidelines on the Integration of ESG Factors in the Investment and Risk Management of Pension Funds</u></p> <p>This report highlights a range of challenges to be met by pension funds governing bodies, asset managers and pension supervisors.</p>
October 9, 2019	IOSCO CPMI	<p><u>Report Sets Out Governance of Key OTC Derivatives Data Elements</u></p> <p>A new report, <i>Governance Arrangements for Critical OTC Derivatives Data Elements (Other Than UTI and UPI)</i>, identifies key criteria, functions and bodies for the governance arrangements for a set of critical data elements for over-the-counter (OTC) derivative transactions reported to trade repositories, excluding the Unique Transaction Identifier (UTI) and the Unique Product Identifier (UPI).</p>

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October 2, 2019	IOSCO	<p><u>IOSCO Publishes Updates to Peer Reviews of Regulation of MMFs and Securitization</u> IOSCO published two update reports entitled <i>Update to the IOSCO Peer Review of Regulation of Money Market Funds</i> and <i>Update to the IOSCO Peer Review of Implementation of Incentive Alignment Recommendations for Securitisation</i>. These reports summarize IOSCO's ongoing efforts to monitor implementation of reforms for money market funds (MMF) and securitization since IOSCO published its two peer reviews in September 2015.</p>

National Regulators

Date	Organization	Title & Abstract
October 16, 2019	PRA FCA	<p><u>Machine Learning in UK Financial Services</u> This report sets out the results of a survey conducted by the Bank of England and Financial Conduct Authority.</p>
October 4, 2019	PRA	<p><u>The Prudential Regulation Authority's Approach to Enforcement: Statutory Statements of Policy and Procedure</u> The PRA published <i>The PRA Investigation Referral Criteria and Regulatory Investigations Guide</i>.</p>
October 4, 2019	PRA	<p><u>Enforcement: Changes to the PRA's Settlement Policy – PS 23/19, CP 10/19</u> This policy statement provides the final Statement of Policy <i>The PRA's Approach to Enforcement: Statutory Statements of Policy and Procedure</i> (Appendix), as consulted in CP 10/19 <i>Enforcement: Changes to the PRA's Settlement Policy</i>.</p>
October 16, 2019	FCA	<p><u>FCA Announces Future Work on Climate Change and Green Finance</u> The FCA has published a feedback statement setting out its proposals to improve climate change disclosures by issuers and information to consumers on green financial products and services.</p>
October 17, 2019	Federal Reserve Board FDIC Ntl Credit Union Administration OCC	<p><u>Federal Financial Regulatory Agencies Seek Comment on Proposed Interagency Policy Statement on Allowances for Credit Losses and Proposed Interagency Guidance on Credit Risk Review Systems</u> Four federal financial regulatory agencies requested comment on a proposed Interagency Policy Statement on Allowances for Credit Losses. This proposed policy statement is intended to promote consistency in the interpretation and application of the Financial Accounting Standards Board's credit losses accounting standard, which introduces the current expected credit losses methodology.</p>
October 14, 2019	APRA	<p><u>APRA Proposes New Measures to Strengthen Capital Protection for Bank Depositors</u> APRA has launched a review of the capital treatment of authorized deposit-taking institutions' investments in their banking and insurance subsidiaries.</p>
October 8, 2019	Hong Kong SFC	<p><u>Consultation Conclusions on Proposed Enhancements to the Investor Compensation Regime and Related Legislative Amendments</u> The Securities and Futures Commission released consultation conclusions on proposed enhancements to the Investor Compensation Regime.</p>

International Organizations

Date	Organization	Title & Abstract
September 2019	CGAP	<u>The Future of G2P Payments: Expanding Customer Choice</u> This focus note explores the core idea behind future-ready government-to-person (G2P) payments, lays out its advantages and challenges, and describes how governments can create modern G2P payments systems. It draws heavily from ongoing efforts in Bangladesh, India, Kenya, Tanzania and Zambia.
October 2019	CGAP	<u>Risk-Based Customer Due Diligence: Regulatory Approaches</u> This Technical Note outlines the main risk-based approaches to customer due diligence, provides examples from regulatory systems across the globe, and weighs the pros and cons of each approach.

Industry

Date	Organization	Title & Abstract
October 2019	IIF	<u>Cyber Risk Insurance Update: Advances in Risk Management, Prioritizing Prevention and Protection</u> This IIF staff paper reviews how the cyber risk insurance market is maturing and highlights the strong emphasis by insurance providers on prevention, preparation and incident response, as well as protection. The paper also examines innovative advances in the risk management of cyber insurance underwriting and acknowledges that a number of challenges remain, including those related to “silent,” or non-affirmative cyber risk, concentration and accumulation risks, and an increase in state-sponsored attacks.
October 2019	IIF	<u>Digital Identities in Financial Services Part 2: Responsible Digital IDs</u> This paper investigates the potential positive impacts digital identities can have on underserved markets and how financial institutions can help to responsibly and inclusively grow digital identities by adopting the latest emerging technologies.
October 2019	IIF Deloitte	<u>The Global Framework for Fighting Financial Crime: Enhancing Effectiveness & Improving Outcomes</u> In this white paper, the IIF and Deloitte argue that greater emphasis must be placed on improving the legal and regulatory framework and risk management toolkit to enhance effectiveness. Central to this reframing is the expansion of public-private partnerships (PPP) and expanding cross-border data exchange. The IIF and Deloitte encourage stakeholders to work together on greater regulatory clarity and consistent standards, pooling resources, and removing barriers to information sharing.

Other

Date	Organization	Title & Abstract
October 2019	Center for Financial Inclusion at Accion	<p><u>Handbook on Consumer Protection for Inclusive Finance</u></p> <p>This handbook presents updated and revised guidance for consumer financial protection regulators organized around the Smart Campaign’s Client Protection Principles (CPPs). It expands upon a previous document, the <i>Client Protection Principles: Model Law and Commentary for Financial Consumer Protection</i> (Model Legal Framework) to reflect updated digital credit standards from the Smart Campaign, new and emerging guidance from international organizations and collaborative working groups, and consultation with a broad range of experts regarding the unique characteristics of digital financial services (DFS), with an emphasis on digital credit.</p>
August 2019	insight to impact (i2i)	<p><u>Digital Financial Services Measurement Framework</u></p> <p>A range of indicators are used to measure the digital financial services and payment landscapes. This measurement framework is created to characterize various measurable components of the digital payments ecosystem that could be tracked over time. It incorporates access, adoption and usage indicators, distinguishing between receiving payments and making payments. It considers drivers that influence the adoption and usage of digital payment solutions. This framework will enable practitioners to identify new digital payment indicators and to structure existing ones.</p>