

Toronto Centre Publications Monitoring Report

October 2018

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 2018	Toronto Centre	IFRS 17 Insurance Contracts – What Supervisors Need to Know Toronto Centre Note discusses: i) how the key features of the standard have been designed to meet the IASB's objectives; ii) potential implications for insurers applying IFRS 17; and iii) considerations for adoption of IFRS 17 for regulatory and supervisory purposes based on the guidance of the IAIS's Insurance Core Principles. Highlights the need for supervisors to take stock of the requirements and determine an action plan for the way forward.

Standard Setting Bodies

Date	Organization	Title & Abstract
October 26, 2018	BCBS	Fifteenth Progress Report on Adoption of the Basel Regulatory Framework This updated progress report provides a high-level view of Basel Committee members' progress in adopting Basel III standards as of end-September 2018. It focuses on the status of adoption of all the Basel III standards, including the finalized Basel III post-crisis reforms published in December 2017, to ensure that they are transformed into national law or regulation according to the internationally agreed time frames.

Date	Organization	Title & Abstract
October 18, 2018	BCBS	<p><u>Leverage Ratio Treatment of Client Cleared Derivatives</u> This consultative document seeks the views of stakeholders on whether a targeted and limited revision of the leverage ratio's treatment of client cleared derivatives may be warranted, based on the findings of the Committee's review of the impact of the leverage ratio on banks' provision of client clearing services and in consideration of key policy objectives of G20 leaders both to prevent excessive leverage and improve the quality and quantity of capital in the banking system and to promote central clearing of standardized derivatives contracts.</p>
October 17, 2018	BCBS	<p><u>Stress Testing Principles</u> The BCBS has issued its <i>Stress Testing Principles</i>, which replace the <i>Principles for Sound Stress Testing Practices and Supervision</i> published in May 2009.</p>
October 10, 2018	FSB	<p><u>FSB Sets Out Potential Financial Stability Implications from Crypto-assets</u> The FSB published <i>Crypto-asset Markets: Potential Channels for Future Financial Stability Implications</i>. This report sets out the analysis behind the FSB's proactive assessment of the potential implications of crypto-assets for financial stability.</p>
October 31, 2018	EBA	<p><u>EBA Publishes Final Guidance on Management of Non-performing and Forborne Exposures</u> The EBA published its final guidelines on management of non-performing and forborne exposures. The guidelines, developed in accordance with the European Council Action Plan, aim to ensure that credit institutions have adequate prudential tools and frameworks in place to manage effectively their non-performing exposures (NPEs) and to achieve a sustainable reduction on their balance sheets.</p>
October 30, 2018	EBA	<p><u>EBA Consults on Draft DPM 2.9 for Supervisory Reporting</u> The EBA launched a consultation on the new draft version of Data Point Model (DPM) 2.9. The new release is an exposure draft of the new data requirements proposed in the ongoing public consultations on amendments to the Implementing Technical Standards (ITS) on supervisory reporting on COREP LCR, COREP securitization & FINREP-NPE&FB, P&L and IFRS16.</p>
October 29, 2018	EBA	<p><u>EBA Acknowledges Adoption of New Resolution Reporting Standards by the European Commission</u> The EBA acknowledged the adoption by the EC of the Implementing Regulation on the procedures and standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms, repealing Regulation (EU) 2016/1066. The Implementing Regulation, which is based on the final draft Implementing Technical Standards (ITS) on the provision of information for resolution plans submitted by the EBA in April 2018, was adopted by the Commission on 23 October 2018.</p>
October 23, 2018	EBA	<p><u>EBA Publishes Work Program for 2019</u> The EBA published its detailed annual work program for 2019, describing the specific activities and tasks for the coming year and highlighting the key strategic areas of work from 2019 to 2021. In 2019, the EBA will focus on: i) leading the Basel III implementation in the EU; ii) understanding risks and opportunities arising from financial innovation; iii) collecting, disseminating and analyzing banking data; iv) ensuring a smooth relocation of the EBA to Paris; and v) fostering the increase of the loss-absorbing capacity of the EU banking system.</p>

Date	Organization	Title & Abstract
October 9, 2018	EBA	<p><u>EBA Acknowledges Adoption of Amended Supervisory Reporting Standards by the European Commission</u> The EBA acknowledged the adoption by the EC of the <i>Implementing Act amending Regulation (EU) No 680/2014 (Implementing Technical Standards on Supervisory Reporting)</i> with regard to the inclusion of prudent valuation into COREP as well as other amendments.</p>
October 8, 2018	EBA	<p><u>Updated EBA Risk Dashboard Shows Sustained Improvements in the Management of NPLs Across the EU But Banks Profitability Remains A Key Challenge</u> The EBA published the periodical update to its Risk Dashboard, which summarizes the main risks and vulnerabilities in the EU banking sector using quantitative risk indicators. In the second quarter (Q2) of 2018, the updated Dashboard identified ongoing improvements in the repair of the EU banking sector but also residual risks in banks' profitability.</p>
October 4, 2018	EBA	<p><u>EBA Publishes the Preliminary Impact of the Basel Reforms on EU Banks Capital and Updates on Liquidity Measures in the EU</u> The EBA published two reports which measure the impact of implementing Basel III reforms and monitor the current implementation of liquidity measures in the EU. The EBA Basel III capital monitoring report includes a preliminary assessment of the impact of the Basel reform package - as endorsed by the Group of Central Bank Governors and Heads of Supervision (GHoS) - on EU banks assuming its full implementation. The report on liquidity measures monitors and evaluates the liquidity coverage requirements currently in place in the EU.</p>
October 19, 2018	EIOPA	<p><u>EIOPA Analyses the Benefits of IFRS 17 Insurance Contracts</u> The EIOPA published its analysis of IFRS 17 Insurance Contracts.</p>
October 10, 2018	EIOPA	<p><u>EIOPA Reinforces Cooperation in the Supervision of Cross-border Insurance Distribution</u> EIOPA published a decision, plus appendices, on the cooperation of national competent authorities with regard to the supervision of cross-border insurance distribution activities of insurance undertakings and insurance intermediaries.</p>
October 31, 2018	ESMA	<p><u>ESMA Issues Clarifications on Clearing and Trading Obligations Ahead of 21 December 2018 Deadline</u> ESMA has issued today a statement relating to the challenges that certain groups, as well as certain non-financial counterparties above the clearing threshold, would face on 21 December 2018 to start CCP clearing some of their OTC derivative contracts and trading them on trading venues.</p>
October 31, 2018	ESMA	<p><u>Notice of ESMA's Product Intervention Renewal Decision in Relation to Contracts for Differences</u> On 23 October 2018, ESMA adopted a decision under Article 40 of Regulation (EU) No 600/2014 to restrict the marketing, distribution or sale of contracts for differences to retail clients.</p>
October 26, 2018	ESMA	<p><u>European Enforcers to Focus on New IFRSS and Non-financial Information in Issuers' 2018 Annual Reports</u> ESMA published the priorities that the European enforcers will particularly consider when examining 2018 financial statements of listed companies. These priorities are set out in the annual <i>Public Statement on European Common Enforcement Priorities</i>, which promotes the consistent application of the International Financial Reporting Standards (IFRS) and other financial and non-financial reporting requirements.</p>

Date	Organization	Title & Abstract
October 3, 2018	ESMA	<p><u>ESMA Will Focus on Supervisory Convergence and Supervision in 2019</u> ESMA has published its 2019 Work Programme, which sets out its priorities and areas of focus for 2019 in support of ESMA’s mission to enhance investor protection and promote stable and orderly financial markets.</p>
October 3, 2018	ESMA	<p><u>ESMA Withdraws MiFID Automated Trading Guidelines Following Their Incorporation into MiFID II</u> ESMA has announced the withdrawal of MiFID guidelines on systems and controls in an automated trading environment for trading platforms, investments firms and competent authorities.</p>
October 29, 2018	EBA ESMA EIOPA	<p><u>ESAs Propose New Amendments to Technical Standards on the Mapping of ECAls</u> The Joint Committee of the three European Supervisory Authorities has launched a public consultation to amend the Implementing Regulations on the mapping of credit assessments of External Credit Assessment Institutions (ECAls) for credit risk to reflect the outcomes of a monitoring exercise on the adequacy of existing mappings, namely changes to the Credit Quality Steps (CQS) allocation for two ECAls and the introduction of new credit rating scales for ten ECAls.</p>
October 26, 2018	EBA EIOPA ESMA	<p><u>ESAs Propose New Amendments to Technical Standards on the Mapping of ECAls</u> The three European Supervisory Authorities launched a public consultation to amend the Implementing Regulations on the mapping of credit assessments of External Credit Assessment Institutions (ECAls) for credit risk to reflect the outcomes of a monitoring exercise on the adequacy of existing mappings, namely changes to the Credit Quality Steps allocation for two ECAls and the introduction of new credit rating scales for ten ECAls. The Implementing Regulations are part of the EU Single Rulebook for banking and insurance aimed at creating a safe and sound regulatory framework consistently applicable across the EU.</p>

National Regulators

Date	Organization	Title & Abstract
October 22, 2018	OSFI	<p><u>Technical Paper on the Additional Canada Pension Plan Regulations</u> The proposed additional Canada Pension Plan regulations aim to ensure that the enhanced portion of the Plan is appropriately funded over time while respecting intergenerational equity and financing objectives of the enhancement.</p>
October 10, 2018	OSFI	<p><u>2019 Life Insurance Capital Adequacy Test (LICAT)</u> After completing a public consultation process, OSFI is issuing the final version of the 2019 LICAT guideline. In addition to minor edits and clarifications, key changes made to the guideline include: i) apply the same capital treatment to all leases that will be reported on the balance sheet as a result of IFRS 16 – <i>Leases</i>; ii) create consistency with the upcoming revised Guideline B-5: <i>Asset Securitization</i>; iii) add three credit rating agencies to the list of recognized agencies; iv) specify that mortality risk components apply to group life insurance products; and v) introduce additional conditions for funds withheld reinsurance arrangements.</p>

Date	Organization	Title & Abstract
October 31, 2018	PRA	<p><u>The PRA's Approach to Banking Supervision</u> This document serves three purposes: i) it aids accountability by describing what the PRA seeks to achieve and it intends to achieve it; ii) it communicates to regulated firms what the PRA expects of them, and what they can expect from the PRA in the course of supervision; and iii) it is intended to meet the statutory requirement for the PRA to issue guidance on how it intends to advance its objectives.</p>
October 31, 2018	PRA	<p><u>The PRA's Approach to Insurance Supervision – 2018</u> This document serves three purposes: i) it aids accountability by describing what the PRA seeks to achieve and it intends to achieve it; ii) it communicates to regulated insurers what the PRA expects of them, and what they can expect from the PRA in the course of supervision; and iii) it is intended to meet the statutory requirement for the PRA to issue guidance on how it intends to advance its objectives.</p>
October 31, 2018	PRA	<p><u>Solvency II: Adjusting for the Reduction of Loss Absorbency Where Own Fund Instruments are Taxed on Write Down – CP 27/18</u> This consultation paper sets out its proposals to amend SS 3/15 <i>Solvency II: the Quality of Capital Instruments</i>. It proposes an expectation that insurers will deduct the maximum tax charge generated on write-down, when including items listed in Articles 69(a)(iii) and (b) of the <i>Solvency II Regulation</i> or certain items approved under Article 79 of the <i>Solvency II Regulation</i> to be recognized as restricted Tier 1 own funds (rT1) in their own funds.</p>
October 25, 2018	PRA	<p><u>UK Withdrawal from the EU: Changes to PRA Rulebook and Onshored Binding Technical Standards – CP 26/18</u> This consultation paper sets out the PRA's proposals to fix deficiencies arising from the UK's withdrawal from the EU in the PRA Rulebook, and in relation to Binding Technical Standards (BTS) within the PRA's remit that will be converted, or 'onshored', into UK law. It also sets out the PRA's proposals on how existing non-binding PRA materials, including supervisory statements, statements of policy, and the PRA approach documents should be read by firms when the UK leaves the EU. The changes proposed in this CP are amendments to ensure an operable legal framework after the UK leaves the EU.</p>
October 25, 2018	PRA	<p><u>The Bank of England's Approach to Amending Financial Services Legislation Under the European Union (Withdrawal) Act 2018 – CP 25/18</u> The proposed changes are to ensure that there is a functioning legal framework for UK financial regulation when the UK leaves the EU. The Bank proposes to follow the general approach to onshoring adopted by government under the Act.</p>
October 25, 2018	PRA	<p><u>UK Withdrawal from the EU: The Bank of England's Approach to Resolution Statements of Policy and Onshored Binding Technical Standards</u> This consultation paper is part of the Bank's consultation package on amending financial services legislation under the <i>European Union (Withdrawal) Act 2018</i> (the Act). CP 25/18 <i>The Bank of England's Approach to Amending Financial Services Legislation Under the European Union (Withdrawal) Act</i> provides the Bank's general approach to addressing deficiencies in onshored Binding Technical Standards and to non-binding EU materials, including EBA Guidelines. The two documents should be read together.</p>

Date	Organization	Title & Abstract
October 25, 2018	PRA	<p><u>UK Withdrawal from the EU: Changes to FMI Rules and Onshored Binding Technical Standards</u> This consultation paper sets out the Bank's proposal to fix deficiencies in onshoring of legislation related to FMIs arising from the UK's withdrawal from the EU as competent authority for Financial Market Infrastructures (FMIs).</p>
October 25, 2018	PRA	<p><u>Fees for Non-UK CCP Applications for Recognition 2018/19</u> This consultation paper seeks views on the proposed fee for applications for non-UK CCPs seeking UK recognition both before and after the UK's withdrawal from the EU. It is intended to provide clarity on the Bank's expected application fee for applications for UK recognition both before and after the UK's withdrawal from the EU.</p>
October 22, 2018	PRA	<p><u>Occasional Consultation Paper – CP 24/18</u> This consultation paper sets out proposed changes to PRA Rulebook Parts, supervisory statements, statements of policy and forms.</p>
October 18, 2018	PRA	<p><u>Strengthening Accountability: Implementing the Extension of the SM&CR to Insurers: PS 26/18</u> This policy statement provides feedback to responses to CP 18/18 <i>Strengthening Accountability: Implementing the Extension of the SM&CR to Insurers</i>. It also provides a rule instrument with amendments to the final rules for the implementation of the extension of the Senior Managers and Certification Regime to insurers; along with a technical correction to the Insurance General Application Part of the PRA Rulebook.</p>
October 17, 2018	PRA	<p><u>Solvency II: Supervisory Approval for the Volatility Adjustment: PS 22/18</u> This policy statement provides feedback to responses to CP 22/17 <i>Solvency II: Supervisory Approval for the Volatility Adjustment</i>. It also contains the PRA's updated SS 23/15 <i>Solvency II: Supervisory Approval for the Volatility Adjustment</i>.</p>
October 17, 2018	PRA	<p><u>Solvency II: External Audit of the Public Disclosure Requirement: PS 25/18</u> This policy statement provides feedback to responses to CP 8/18 <i>Solvency II: External Audit of the Public Disclosure Requirement</i>. It also contains the PRA's final policy, as follows: i) amendments to the External Audit Part of the PRA Rulebook (Appendix 1); and ii) updated SS 11/16 <i>Solvency II: External Audit</i> (Appendix 2).</p>
October 17, 2018	PRA	<p><u>Solvency II: Regulatory Reporting Internal Model Outputs: SS 25/15</u> Following publication of PS 24/18 <i>Solvency II: Updates to Internal Model Output Reporting</i>, this SS was updated to amend paragraph 2.5 to reflect that non-life firms are no longer expected to submit counterparty information on IM.02.</p>
October 17, 2018	PRA	<p><u>Solvency II: Supervisory Approval for the Volatility Adjustment: SS 23/15</u> SS23/15 was updated following PS 22/18 <i>Solvency II: Supervisory Approval for the Volatility Adjustment</i>.</p>
October 17, 2018	PRA	<p><u>Solvency II: Internal Models – Modelling of the Volatility Adjustment – PS 23/18</u> This policy statement provides feedback to responses to CP 9/18 <i>Solvency II: Internal Models – Modelling of the Volatility Adjustment</i>. It also contains the PRA's final SS 9/18 <i>Solvency II: Internal Models – Modelling of the Volatility Adjustment</i> which sets out the PRA's expectations of internal model firms when determining the risks that might arise from the dynamic volatility adjustment when calculating the solvency capital requirement. It also contains the amendments to SS17/16 <i>Solvency II: Internal Models – Assessment, Model Change and the Role of Non-executive Directors</i>.</p>

Date	Organization	Title & Abstract
October 17, 2018	PRA	<p><u>Solvency II: Internal Models – Assessment, Model Change and the Role of Non-Executive Directors: SS 17/16</u> This supervisory statement was updated following publication of PS23/18 <i>Solvency II: Internal Models – Modelling of the Volatility Adjustment</i>.</p>
October 17, 2018	PRA	<p><u>Solvency II: Updates to Internal Model Output Reporting – PS 24/18</u> This policy statement provides feedback to responses to CP 10/18 <i>Solvency II: Updates to Internal Model Output Reporting</i>. It also contains the PRA’s final policy, as follows: i) updated SS 25/15 <i>Solvency II: Regulatory Reporting, Internal Model Outputs</i>; and ii) updated SS26/15 <i>Solvency II: ORSA and the Ultimate Time Horizon – Non-life Firm</i>.</p>
October 17, 2018	PRA	<p><u>Solvency II: External Audit of, and Responsibilities of the Governing Body in Relation to, the Public Disclosure Requirement – SS 11/16</u> This supervisory statement was updated following PS25/18 <i>Solvency II: External Audit of the Public Disclosure Requirement</i>, and is available in the table below.</p>
October 17, 2018	PRA	<p><u>Solvency II: Internal Models – Modelling of the Volatility Adjustment – SS 9/18</u> This supervisory statement sets out expectations of firms regarding the application of the Solvency II volatility adjustment within the calculation of the solvency capital requirement.</p>
October 15, 2018	PRA	<p><u>PRA Consults on its Expectations for the Management of Financial Risks From Climate Change</u> The PRA has published a consultation paper on a draft supervisory statement which sets out expectations regarding firms’ approaches to managing the financial risks from climate change. These centre on how managing the far-reaching and foreseeable risks from climate change requires a strategic approach which considers how actions today affect future financial risks.</p>
October 12, 2018	PRA	<p><u>Liquidity Reporting: FSA047 and FSA048</u> This consultation paper proposes to delay terminating the existing ‘daily flows’ and ‘enhanced mismatch’ liquidity reports (FSA047 and FSA048) for a limited period. The purpose of the proposed change is to mitigate risks to the supervision of liquidity in the initial period following the introduction of the new PRA110 report on 1 July 2019.</p>
October 1, 2018	PRA	<p><u>Regulatory Transactions: Changes to Notification and Application Forms</u> This consultation paper sets out the PRA’s proposals for changes to various PRA forms relating to applications or notifications for regulatory transactions.</p>
October 29, 2018	FCA	<p><u>Cryptoasset Taskforce Publishes Report on UK Approach to Cryptoassets</u> The FCA has, as part of a Treasury-led Cryptoasset Taskforce published a report on the UK’s policy and regulatory approach to cryptoassets. The Taskforce Report has considered the policy and regulatory implications of distributed ledger technology and cryptoassets, and at a high level set out some of the opportunities and risks they present.</p>
October 24, 2018	FCA	<p><u>FCA Publishes PPI Complaints Deadline Progress Report</u> The FCA has published an update on the progress of its payment protection insurance (PPI) consumer communications campaign and supporting supervisory work.</p>

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October 18, 2018	FCA	<p><u>FCA and TPR Publish Joint Pensions Strategy</u> The FCA and The Pensions Regulator have launched a joint regulatory strategy aimed at strengthening their relationship, and taking joint action to deliver better outcomes for pension savers and those entering retirement.</p>
October 15, 2018	FCA	<p><u>FCA Opens a Discussion on the Impact of Climate Change and Green Finance on Financial Services</u> The FCA has published a discussion paper on climate change and green finance. It seeks input in four areas in which the FCA considers a greater regulatory focus is warranted: i) climate change and pensions – ensuring that those making investment decisions take account of risks including climate change; ii) enabling competition and market growth for green finance; iii) ensuring that disclosures in capital markets appropriately give adequate information to investors of the financial impacts of climate change; and iv) the scope for the introduction of a new requirement for financial services firms to report publicly on how they manage climate risks.</p>
October 10, 2018	FCA	<p><u>The FCA Consults on its Approach Ahead of the UK's Exit From the EU</u> The FCA published two consultation papers setting out its proposals in the event the UK leaves the EU without an implementation period. The papers focus on: i) amendments to the FCA Handbook and Binding Technical Standards (detailed EU rules which the FCA will have responsibility for after exit) resulting from leaving the EU, and the FCA's approach after Brexit to EU non-legislative material; and ii) the Temporary Permissions Regime, which will allow EEA firms and funds passporting into the UK to continue operating here for a limited period after Brexit while seeking full UK authorization.</p>
October 8, 2018	FCA	<p><u>FCA Consults on New Rules to Improve the Approach to Open-Ended Funds Investing in Illiquid Assets</u> The FCA is consulting on new rules and guidance to reduce the potential for harm to investors in funds that hold illiquid assets, particularly under stressed market conditions. These measures will also support the FCA's market integrity objective and help address financial stability concerns.</p>
October 4, 2018	FCA	<p><u>FCA Confirms Final Rules on Improving the Quality of Pension Transfer Advice</u> The FCA has published new rules aimed at improving the advice people receive when considering transferring their pension. This consultation proposed further changes to its rules and guidance on advising on transferring from safeguarded benefit schemes (where there is some form of guarantee or promise about the rate of secure pension income that the member will receive, or will have an option to receive).</p>
October 30, 2018	FRB FDIC OCC	<p><u>Agencies Propose Rule to Update Calculation of Derivative Contract Exposure Amounts under Regulatory Capital Rules</u> Three federal banking agencies on Tuesday invited public comment on a proposal to update their standards for how firms measure counterparty credit risk posed by derivative contracts under the agencies' regulatory capital rules. The proposed changes are designed to better reflect the current derivatives market and incorporate risks observed during the 2007-2008 financial crisis.</p>
October 18, 2018	New York Federal Reserve Board	<p><u>New York Fed Releases Report about the Effects of Post-Crisis Banking Reforms</u> The Federal Reserve Bank of New York today released <i>Review of New York Fed Studies on the Effects of Post-Crisis Banking Reforms</i>. The article concludes that many of the findings aligned with theoretical predictions or results of earlier studies of the reforms, yet some studies produced results that contrast with evidence in the academic literature. Overall, the studies showed that banks did respond actively to the new regulations, suggesting that broadening the research to assess additional outcomes would be fruitful.</p>

Date	Organization	Title & Abstract
September 2018	FDIC	<p><u>On the Rise of the FinTechs—Credit Scoring using Digital Footprints</u> The paper analyzes the information content of the digital footprint – information that people leave online simply by accessing or registering on a website – for predicting consumer default. The results have potentially wide implications for financial intermediaries’ business models, for access to credit for the unbanked, and for the behavior of consumers, firms, and regulators in the digital sphere.</p>
October 11, 2018	SEC	<p><u>Strategic Plan 2018-2022</u> The SEC announced a new strategic plan to guide the agency’s work over the next four years with a primary focus on investors, innovation, and performance.</p>
October 24, 2018	APRA	<p><u>APRA and ASIC Empower Consumers with New Reporting Standard on Life Insurance Claims</u> APRA has issued a new reporting standard to the industry. The release of Life Insurance Reporting Standard LRS 750.0 Claims and Disputes will enhance the consistency and quality of life insurance data published through a ground-breaking program established jointly last year by APRA and ASIC. The standard makes it mandatory for life insurers to report data on claims and disputes, and is a critical milestone on the path to delivering enhanced transparency and accountability through the regular publication of credible, reliable and comparable data.</p>
October 17, 2018	APRA	<p><u>Banking Executive Accountability Regime</u> APRA has released an information paper to assist authorized deposit-taking institutions to meet their obligations under the Banking Executive Accountability Regime (BEAR).</p>
September 24, 2018	Council of Financial Regulators (Australia)	<p><u>CFR Roundtable on Review of Retail Payments Regulation: Stored-value Facilities</u> On 24 September 2018, the CFR released an Issues Paper, <i>Review of Retail Payments Regulation: Stored-value Facilities</i> for public consultation.</p>
October 19, 2018	HKMA	<p><u>Policy and Supervisory Approach on Anti-Money Laundering and Counter-Financing of Terrorism</u> Letter sets out the HKMA’s overall policy and supervisory approach on stored value facility (SVF) licensees for managing money laundering and terrorist financing (ML/TF) risks.</p>
October 19, 2018	HKMA	<p><u>Supervisory Policy Manual (SPM): AML-1 “Supervisory Approach on Anti-Money Laundering and Counter-Financing of Terrorism”</u> The HKMA published in the <i>Gazette</i> today a new SPM module as statutory guidance under section 7(3) of the <i>Banking Ordinance</i>.</p>
October 19, 2018	HKMA	<p><u>Amendments to Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Stored Value Facility Licensees)</u> Following consultation with the stored value facility industry, the HKMA published in the <i>Gazette</i> the revised <i>Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Stored Value Facility Licensees) 1</i> (AML/CFT Guideline) under section 54(1A)(b) of the <i>Payment Systems and Stored Value Facilities Ordinance</i>.</p>

Date	Organization	Title & Abstract
October 19, 2018	HKMA	<p><u>Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements - Banking Sector) Rules and Inland Revenue (Amendment) (No. 6) Bill 2018 Gazetted</u></p> <p>The government published in the <i>Gazette</i> the <i>Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules</i> and the <i>Inland Revenue (Amendment) (No. 6) Bill 2018</i>. The rules are closely aligned to international standards on LAC requirements, as set out in the FSBs Total Loss-absorbing Capacity Term Sheet.</p>

International Organizations

Date	Organization	Title & Abstract
October 2018	IMF	<p><u>Economic Gains from Gender Inclusion: New Mechanisms, New Evidence</u></p> <p>The latest IMF research shows that improving gender diversity can result in larger economic gains than previously thought. There is an economic benefit from bringing women into the labour force over and above the benefit resulting from more (male) workers. The study finds that male and female labour are imperfect substitutes in production, and therefore gender differences in the labour force matter. The results also imply that standard models, which ignore such differences, understate the favorable impact of gender inclusion on growth, and misattribute to technology a part of growth that is actually caused by women's participation. The study further suggests that narrowing gender gaps benefits both men and women, because of a boost to male wages from higher FLFP. The paper also examines the role of women in the process of sectoral reallocation from traditional agriculture to services and the resulting effect on productivity and growth.</p>
October 2018	IMF	<p><u>Gender, Technology and the Future of Work</u></p> <p>This SDN finds that women, on average, perform more routine tasks than men across all sectors and occupations/tasks that are most prone to automation. Policies are needed to endow women with required skills; close gender gaps in leadership positions; bridge digital gender divide (as ongoing digital transformation could confer greater flexibility in work, benefiting women); and ease transitions for older and low-skilled female workers.</p>
October 2018	ISDA	<p><u>Clearing Incentives, Systemic Risk and Margin Requirements</u></p> <p>This paper draws on research done internally by ISDA and recent studies by policy makers to analyze and answer questions about whether certain aspects of the requirements support key policy goals.</p>

Industry

Date	Organization	Title & Abstract
September 2018	GSMA	<u>Beyond the Basics: How Smartphones Will Drive Future Opportunities for the Mobile Money Industry</u> This report explores how the mobile money industry can continue to reach those at the base of the economic pyramid who predominantly rely on basic and feature phones, while at the same time anticipating and creating solutions that can keep pace with the evolving demands of the underserved of the future.
September 2018	GSMA	<u>Spotlight on Mobile-Enabled Insurance Services</u> This publication provides an overview of the mobile-enabled microinsurance industry, to support broader industry stakeholders to increase the utility and sustainability of mobile financial services.
October 19, 2018	IIF	<u>Machine Learning in Anti-Money Laundering</u> This study covers the particular purposes of application in the AML space, as well as which types of specific techniques are in scope, firms' maturity in adopting, benefits, challenges and model governance. Our findings indicated that the application of machine learning techniques in AML is spreading quickly across the industry, driven by a dedication to build a stronger and more effective defense system against illicit activity.

Other

Date	Organization	Title & Abstract
October 2018	Accion	<u>The Tech Touch Balance: How the Best Fintech Startups Integrate Digital and Human Interaction to Accelerate Financial Inclusion</u> This paper highlights the innovative approaches that eight of Accion's portfolio companies use to balance tech and touch. These case studies offer insights into how companies approach this question, the factors that affect their decision-making, and the outcomes that result from balancing tech and touch correctly. The companies profiled offer a range of services, work in different markets, and serve various customer segments around the world, but are all committed to delivering high-quality, affordable financial services.
October 2018	Brookings Institution	<u>The Future of Financial Stability and Cyber Risk</u> Cyber risks pose unique threats to financial stability that are not well understood or managed, despite growing investment in research and dependence by financial institutions, consumers, and governments on cyber technologies. This paper considers the ways in which cyber risks differ from traditional financial shocks.
September 2018	Mastercard Foundation	<u>Big Data Could Mean Big Opportunity: Why We Should Stay Excited for Data Analytics in Smallholder Finance</u> This paper aims to provide a high-level understanding of how data analytics is used for smallholder farmers, introduce a new framework to understand the economics of data analytic investments, and highlight key innovators in the space.