

# Toronto Centre Publications Monitoring Report

## November 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
November 2019	Toronto Centre	<p><b>Removing the Barriers to Women's Financial Inclusion</b></p> <p>TC Note explores measures that financial services regulators and supervisors can put in place to reduce or remove these constraints and barriers. It discusses: i) benefits of financial inclusion for women; ii) barriers to women's financial inclusion; and iii) overcoming the barriers from a regulatory and supervisory perspective.</p>

### Standard Setting Bodies

Date	Organization	Title & Abstract
November 26, 2019	FSB	<p><b>Regulatory Framework for Haircuts on Non-centrally Cleared Securities Financing Transactions</b></p> <p>This document sets out the regulatory framework for haircuts on certain non-centrally cleared securities financing transactions (SFTs). The framework aims to address financial stability risks associated with SFTs. The report includes numerical haircut floors to apply to non-bank-to-non-bank SFTs that were finalized after taking into account responses to a public consultation in October 2014.</p>

Date	Organization	Title & Abstract
November 22, 2019	FSB	<p><b><u>FSB Publishes 2019 G-SIB List</u></b>            The FSB published the 2019 list of global systemically important banks (G-SIBs) using end-2018 data and an assessment methodology designed by the BCBS.</p>
November 14, 2019	FSB	<p><b><u>FSB Report Highlights Need to Address Remaining Resolution Gaps</u></b>            The FSB published its 2019 Resolution Report. The report provides an update on progress in implementing policy measures to enhance the resolvability of systemically important financial institutions and sets out plans for further work. The report concludes that authorities and firms need to be mindful of any remaining gaps as they work towards making resolution strategies and plans operational in all sectors.</p>
November 28, 2019	BCBS	<p><b><u>Basel Committee Publishes Consultation Paper on Revisions to the Credit Valuation Adjustment Risk Framework</u></b>            The BCBS has published a consultative document on revisions to the credit valuation adjustment (CVA) risk framework. It seeks the views of stakeholders on a set of limited adjustments to the CVA risk framework published in December 2017.</p>
November 27, 2019	BCBS	<p><b><u>Basel Committee Issues Guiding Principles for the Operationalisation of a Sectoral Countercyclical Capital Buffer</u></b>            The BCBS published guiding principles for the operationalization of a sectoral countercyclical capital buffer (SCCyB). The guiding principles are intended to support the implementation of a SCCyB on a consistent basis across jurisdictions.</p>
November 22, 2019	BCBS	<p><b><u>Basel Committee Publishes More Details on Global Systemically Important Banks</u></b>            The BCBS published further information related to its 2019 assessment of global systemically important banks (G-SIBs), including additional details underlying the scoring methodology.</p>
November 19, 2019	BCBS	<p><b><u>Report on Open Banking and Application Programming Interfaces</u></b>            The BCBS published its <i>Report on Open Banking and Application Programming Interfaces</i> (APIs). The report monitors the evolving trend of open banking observed in Basel Committee member jurisdictions and the use of APIs.</p>
November 14, 2019	BCBS	<p><b><u>Basel Committee Consults on Pillar 3 Disclosure Templates Related to Banks' Market Risk and Sovereign Exposures</u></b>            The BCBS published two consultative documents related to Pillar 3 disclosure. The first document, <i>Revisions to Market Risk Exposure Requirements</i>, proposes a set of revised disclosure requirements related to the market risk framework finalized in January 2019. The second document, <i>Voluntary Disclosure of Sovereign Exposures</i>, consults on voluntary disclosure templates related to banks' sovereign exposures.</p>
November 8, 2019	BCBS	<p><b><u>Basel Committee Consults on Guidelines on Cooperation Between Prudential and AML/CFT Supervision</u></b>            The BCBS published a consultative document entitled <i>Introduction of Guidelines on Interaction and Cooperation Between Prudential and AML/CFT Supervision</i>. These proposed guidelines are intended to enhance the effectiveness of supervision of banks' money laundering and financing of terrorism risk management, consistent with and complementary to the goals and objectives of the standards issued by the Financial Action Task Force and principles and guidelines published by the Basel Committee.</p>

Date	Organization	Title & Abstract
November 29, 2019	EBA	<p><b><u>EBA Confirms Progress in Banks' Balance-sheet Repair But Points to a Bleak Outlook for their Profitability</u></b></p> <p>The EBA published its annual report on risks and vulnerabilities in the EU banking sector. The report is accompanied by the publication of the 2019 EU-wide transparency exercise, which provides detailed information, in a comparable and accessible format, for 131 banks across the EU. Overall, EU banks' solvency ratios remained stable, while the NPL ratio further contracted.</p>
November 28, 2019	EBA	<p><b><u>EBA Publishes Guidelines on ICT and Security Risk Management</u></b></p> <p>The EBA published its final guidelines on ICT and security risk management. These guidelines establish requirements for credit institutions, investment firms and payment service providers on the mitigation and management of their information and communication technology and security risks and aim to ensure a consistent and robust approach across the Single market.</p>
November 22, 2019	EBA	<p><b><u>EBA Launches Consultation on Disclosure and Reporting of MREL and TLAC</u></b></p> <p>The EBA launched a public consultation on the draft Implementing Technical Standard (ITS) on disclosure and reporting of the minimum requirement for own funds and eligible liabilities (MREL) and the total loss absorbency requirement (TLAC). These draft ITS follow an integrated approach and, in the case of disclosures, are aligned with the Basel Pillar 3 standards.</p>
November 21, 2019	EBA	<p><b><u>EBA Consults on Specific Supervisory Reporting Requirements for Market Risk</u></b></p> <p>The EBA launched a public consultation on specific supervisory reporting requirements for market risk, which are the first elements of the Fundamental Review of the Trading Book (FRTB) introduced by the revised <i>Capital Requirements Regulation (CRR2)</i> in the prudential framework of the EU.</p>
November 21, 2019	EBA	<p><b><u>EBA Publishes its Roadmap on the Risk Reduction Measures Package</u></b></p> <p>The EBA published a set of roadmaps outlining its approach and timelines for delivering the mandates stemming from the Risk Reduction Measures Package adopted by the Council of the EU and the European Parliament on 20 May 2019. These mandates are mainly focused in the areas of governance and remuneration, large exposures, resolution as well as reporting and disclosure. The roadmaps aim at providing a preliminary understanding of the mandates combined with some policy guidance.</p>
November 8, 2019	EBA	<p><b><u>EBA Shows that Efforts to Improve EU Banks' Asset Quality Have Proven Successful but Pockets of Risks Remain</u></b></p> <p>The EBA published a report on trends in asset quality of the EU banking sector, which show it has significantly improved over the last four years. The report identifies three pillars that determined the overall reduction in NPLs: supervisory attention and political determination to address the NPL issue effectively, coupled by banks' efforts to enhance their NPL management capabilities.</p>
November 14, 2019	IAIS	<p><b><u>IAIS Adopts First Global Frameworks for Supervision of Internationally Active Insurance Groups and Mitigation of Systemic Risk in the Insurance Sector</u></b></p> <p>The IAIS has adopted a comprehensive set of reforms that will enable effective cross-border supervision of insurance groups and contribute to global financial stability. They include: i) the Common Framework (ComFrame); ii) the Insurance Capital Standard (ICS); and iii) the Holistic Framework for the assessment and mitigation of systemic risk in the insurance sector.</p>

Date	Organization	Title & Abstract
November 4, 2019	IOSCO	<p><b><u>Statement on IOSCO Study of Emerging Global Stablecoin Proposals</u></b>            The IOSCO FinTech Network produced an assessment of how IOSCO Principles and Standards could apply to global stablecoin initiatives. It concluded that a case-by-case approach is needed to establish which IOSCO Principles and Standards, and national regulatory regimes, would apply. A detailed understanding of how the particular proposed stablecoin is expected to operate is therefore needed, including the rights and obligations it confers on participants and the continuing obligations of the sponsor.</p>

## National Regulators

Date	Organization	Title & Abstract
November 26, 2019	APRA	<p><b><u>APRA Finalises Revised Guidance on Superannuation Business Performance Review</u></b>            APRA has released a final revised Prudential Practice Guide SPG 516 Business Performance Review (SPG 516) and response to submissions letter following a six-week consultation period.</p>
November 25, 2019	APRA	<p><b><u>APRA Proposes Changes to Prudential Standard Governing Insurance in Superannuation</u></b>            APRA has released for consultation proposed revisions to Prudential Standard SPS 250 Insurance in Superannuation (SPS 250). The proposed changes are aimed at improving superannuation member outcomes by helping trustees select the most appropriate policies for their members and monitor their ongoing relationships with insurers.</p>
November 20, 2019	APRA	<p><b><u>APRA Consults on Further Amendments to the ADI Leverage Ratio</u></b>            APRA has released for consultation a response letter and draft prudential standard on the leverage ratio requirement for authorized deposit-taking institutions (ADIs). This consultation sets out APRA's response to industry's previous submissions and also incorporates changes by the BCBS to the international standard.</p>
November 19, 2019	APRA	<p><b><u>APRA Sets Out Stronger, More Transparent Approach to Regulating and Supervising GCRA Risks</u></b>            APRA has published its plans to scale up significantly its efforts to lift standards of governance, culture, remuneration and accountability (GCRA) across the industries it regulates. APRA's intensified approach to GCRA aims to strengthen the resilience of financial institutions, including addressing, and ideally preventing, issues such as poor risk governance, misaligned incentives and misconduct that have undermined public confidence in the financial sector over recent years.</p>
November 6, 2019	Reserve Bank of India	<p><b><u>RBI Releases the Report of the Working Group to Review the Regulatory and Supervisory Framework for Core Investment Companies</u></b>            RBI report sets out key recommendations of the working group.</p>
November 4, 2019	Reserve Bank of India	<p><b><u>Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies</u></b>            RBI notice sets out guidelines for liquidity risk management framework.</p>

## International Organizations

Date	Organization	Title & Abstract
November 15, 2019	FSI	<p><b><u>Varying Shades of Red: How Red Team Testing Frameworks Can Enhance the Cyber Resilience of Financial Institutions</u></b></p> <p>This paper aims to facilitate deeper understanding by financial sector authorities on different existing approaches that authorities have pursued in establishing red team testing frameworks. It is based on information provided by eight financial authorities and selected private sector players. It describes key components of a red team testing framework, compares existing frameworks, outlines the benefits and challenges of such frameworks, and highlights potential cross-border issues relating to red team testing.</p>
November 6, 2019	FSI	<p><b><u>Turning Up the Heat – Climate Risk Assessment in the Insurance Sector</u></b></p> <p>This paper examines the different regulatory approaches currently in place relating to climate risk assessment, in particular through enterprise risk management frameworks. It also describes how some supervisory authorities have undertaken climate risk assessment exercises, focusing on stress test and scenario analysis approaches. The paper finds that risk quantification techniques and models that consider climate risks are more advanced for physical risks, but are still at an early stage for transition and liability risks.</p>
October 2019	FSI	<p><b><u>The Suptech Generations</u></b></p> <p>This paper examines developments in Suptech by analyzing Suptech initiatives in 39 financial authorities globally.</p>
2019	OECD	<p><b><u>Smarter Financial Education: Key Lessons from Behavioural Insights for Financial Literacy Initiatives</u></b></p> <p>This brief document gives a short overview of the ways in which behavioural insights are relevant for financial education and then summarizes five key lessons that policy makers can follow, illustrated with the experiences of OECD/INFE members.</p>
September 2019	United Nations Capital Development Fund	<p><b><u>State of the Digital Financial Services Market in Zambia, 2018</u></b></p> <p>This report shares findings from the Annual Provider Survey (APS), which UNCDF has conducted for over three years, and which UNCDF and Bank of Zambia compiled into the report. The 2018 report revealed that 18 digital financial services (DFS) providers operated in Zambia, the same as the previous year, and though no new products were launched in the year, the majority of providers considered DFS a commercially sustainable side of their business. This year, 85 percent of providers continuously increased investment in their technical and organizational capacity, and providers dedicated more than 72 percent of their DFS staff to agent network management, further illustrating how meaningful these services are to providers.</p>

## Industry

Date	Organization	Title & Abstract
October 2019	GSMA	<b><u>Harnessing the Power of Mobile Money to Achieve the Sustainable Development Goals</u></b> This report explores ways in which mobile money contributes to the digitalization of finance. It brings together existing evidence to explore the ways in which mobile money is contributing to the digitalization of finance to achieve the Sustainable Development Goals. The insights presented here illustrate the potential of mobile money to help achieve the 2030 targets by driving sustainable and inclusive growth and providing solutions to some of the world's most intractable development challenges.