

Toronto Centre Publications Monitoring Report

April 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
April 2019	Toronto Centre	<p>Sustainable Finance and Investing with Impact</p> <p>Toronto Centre note provides an overview of: i) how the Sustainable Development Goals (SDGs) and sustainable finance have evolved; ii) key ways that financial markets in emerging market countries may need to change to better mobilize the private financing needed; and iii) actions financial market authorities can focus on to accelerate the growth of financial systems in ways that allow them to take advantage of the opportunities while managing the risks that financing the SDGs present.</p>

Standard Setting Bodies

Date	Organization	Title & Abstract
April 29, 2019	FSB	<p>FSB Publishes Peer Review on Bank Resolution Planning</p> <p>The FSB has published a <i>Thematic Review on Bank Resolution Planning</i>. This report forms part of a series of peer reviews to support timely and consistent implementation of the FSB's <i>Key Attributes of Effective Resolution Regimes for Financial Institutions</i>. The peer review evaluates the implementation by FSB jurisdictions of the resolution planning standard as set out in the <i>Key Attributes</i> and in associated guidance. It focuses on resolution planning for all domestically incorporated banks that could be systemically significant or critical if they fail ('systemic in failure').</p>

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April 9, 2019	BCBS	<p><u>Consolidated Basel Framework</u> The consolidated framework aims to improve the accessibility of the Basel Committee's standards and to promote consistent global interpretation and implementation. The framework has been published initially in draft form, together with a consultative document to gather feedback on the website and on various proposed technical amendments to the standards.</p>
April 9, 2019	BCBS	<p><u>Standardised Approach - Implementing the Mapping Process</u> This document set out guidelines for supervisors in the process of assigning the credit risk assessments of an eligible external credit assessment institution (ECAI) to the risk weights available under the standardized approach to credit risk.</p>
April 30, 2019	EBA	<p><u>EBA Sees Significant Improvement in the Work of Supervisory Colleges in 2018 But Efforts Are Still Needed to Enhance the Risk Assessment Reports and the Joint Decisions</u> The EBA published its 2018 report on supervisory colleges, which summarizes its findings on the monitoring of supervisory colleges for the main cross-border European banking groups. The EBA has identified significant improvement in the colleges' deliverables although further efforts are needed, in particular to ensure that the group risk/liquidity risk assessment reports form a real joint assessment of the group-wide risks.</p>
April 26, 2019	EBA	<p><u>EBA Publishes Clarifications to a Third Set of Issues Raised by its Working Group on APIs Under PSD2</u> The EBA published clarifications to a third set of issues that had been raised and discussed by participants of its Working Group on APIs under PSD2. The clarifications respond to issues raised on the portability of 'wide usage' data between EU Member States and on eIDAS certificates, in particular with regards to passporting, their use during the 'wide usage' period, and the reliance on the certificates by account servicing payment service providers. The clarifications also respond to questions on the use by Third Party Providers (TPPs) of agents and outsourcees for accessing payment accounts data and on the interpretation of the conditions of "widely used" and "design to the satisfaction of the TPPs".</p>
April 8, 2019	EBA	<p><u>EBA Publishes Final Draft Standards on the Conditions to Allow Institutions to Calculate Capital Requirements of Securitised Exposures (Kirb) in Accordance With the Purchased Receivables Approach</u> The EBA published its final draft Regulatory Technical Standards (RTS) setting out conditions to allow institutions to calculate capital requirements of the securitized exposures (K_{IRB}) in accordance with the purchased receivables approach laid down in the amended <i>Capital Requirements Regulation</i> (CRR). These draft RTS aim at striking the right balance between the need to acknowledge the specific circumstances under which institutions calculate capital requirements in the context of a securitization transaction and the need to maintain appropriately safe and prudent requirements on the internal modelling of capital requirements.</p>
April 1, 2019	EBA	<p><u>EBA Publishes Clarifications to the Second set of Issues Raised by its Working Group on APIs Under PSD2</u> The EBA published clarifications to the second set of issues raised and discussed by participants of its Working Group on APIs under PSD2. The issues relate to API performance and support, the provision of a list of Third Party Providers that are interested in testing, the testing by TPPs that are not authorized, and the timelines applicable across the EEA if Account Servicing Payment Service Providers want to be exempted from the fall-back mechanism.</p>

Date	Organization	Title & Abstract
April 8, 2019	ECB	<p><u>ECB Banking Supervision Publishes Results of 2018 SREP</u> The ECB published the aggregate outcome of its 2018 Supervisory Review and Evaluation Process (SREP). The overall SREP demand for common equity tier 1 (CET1) capital increased to 10.6% in 2018 from 10.1% in 2017, which was driven by the last step of the phase-in of the capital conservation buffer.</p>
April 28, 2019	EIOPA	<p><u>EIOPA Issues Recommendations to National Competent Authorities to Address Vulnerabilities Identified by the 2018 Insurance Stress Test</u> The EIOPA published its 2018 Insurance Stress Test Recommendations. The recommendations consider the risks and vulnerabilities identified through the findings of the 2018 Insurance Stress Test and are addressed to the National Competent Authorities.</p>
April 15, 2019	EIOPA	<p><u>EIOPA Identifies Areas for Improvement in the Supervision of Prudent Person Rule Compliance by Institutions for Occupational Retirement Provision</u> EIOPA has published the findings of its peer review examining how national competent authorities ensure that institutions for occupational retirement provision comply with the <i>Prudent Person Rule</i>.</p>
April 5, 2019	EIOPA	<p><u>EIOPA Welcomes the Adoption of the Regulation Introducing a Pan-European Personal Pension Product</u> EIOPA welcomed the adoption by the European Parliament of the Regulation introducing a Pan-European Pension Product, the PEPP.</p>
April 30, 2019	ESMA	<p><u>Notice of ESMA's Product Intervention Renewal Decision in Relation to Contracts for Differences</u> ESMA has adopted a decision under Article 40 of Regulation (EU) No 600/2014 to renew the restriction on the marketing, distribution or sale of contracts for differences (CFDs) to retail clients.</p>
April 10, 2019	EBA EIOPA ESMA	<p><u>ESAs Publish Joint Advice on Information and Communication Technology Risk Management and Cybersecurity</u> The European Supervisory Authorities published two pieces of Joint Advice in response to requests made by the EC in its March 2018 FinTech Action Plan: i) <i>Joint Advice on the Need for Legislative Improvements Relating to Information and Communication Technology (ICT) Risk Management Requirements in the EU Financial Sector</i>, and ii) <i>Joint Advice on the Costs and Benefits of a Coherent Cyber Resilience Testing Framework for Significant Market Participants and Infrastructures Within the EU Financial Sector</i>.</p>
April 2, 2019	IOSCO	<p><u>IOSCO Report on Behavioural Insights Seeks to Enhance Retail Investor Protection</u> IOSCO has published a report on behavioural insights that seeks to help its members improve the effectiveness of retail investor protection. The report, <i>The Application of Behavioural Insights to Retail Investor Protection</i>, provides guidance to help regulators better understand the behaviour of retail investors in making financial investment decisions.</p>

National Regulators

Date	Organization	Title & Abstract
April 11, 2019	OSFI	<p><u>Net Stable Funding Ratio Disclosure Requirements</u> OSFI is issuing the final version of the <i>Net Stable Funding Ratio Disclosure Requirements</i> Guideline. This guideline sets out the NSFR disclosure requirements for Domestic Systemically Important Banks (D-SIBs).</p>
April 11, 2019	OSFI	<p><u>OSFI Promotes Financial Institution Resilience With Revisions to its Liquidity Adequacy Requirements Guideline</u> OSFI released final revisions to its <i>Liquidity Adequacy Requirements</i> (LAR) guideline. The revised guideline will help financial institutions enhance their resiliency to short-term liquidity stresses, and will ensure that they maintain stable funding profile over the longer-term.</p>
April 10, 2019	OSFI	<p><u>OSFI Promotes Financial Institution Resilience With a New Version of Its Large Exposure Limits Guideline for Domestic Systemically Important Banks (D-SIBs)</u> OSFI released the final version of its Guideline B-2: <i>Large Exposure Limits for Domestic Systemically Important Banks</i>. The guideline reflects current sound practices for the management of risks related to large exposures and provides additional guidance on methods OSFI expects D-SIBs to use for identifying, measuring, managing and monitoring risks in this area.</p>
April 15, 2019	PRA	<p><u>Enhancing Banks' and Insurers' Approaches to Managing the Financial Risks from Climate Change – PS 11/19, CP 23/18</u> This PRA policy statement provides feedback to responses to CP 23/18 <i>Enhancing Banks' and Insurers' Approaches to Managing the Financial Risks from Climate Change</i>. It also contains the final supervisory statement 3/19 <i>Enhancing Banks' and Insurers' Approaches to Managing the Financial Risks from Climate Change</i>.</p>
April 15, 2019	PRA	<p><u>Enhancing Banks' and Insurers' Approaches to Managing the Financial Risks from Climate Change – SS 3/19</u> Chapter 2 describes the two risk factors through which financial risks from climate change arise and the distinctive elements which, when considered together, present unique challenges and require a strategic approach. Chapter 3 sets out the PRA's expectations concerning this strategic approach.</p>
April 15, 2019	PRA	<p><u>Prudential Regulation Authority Business Plan 2019/20</u> The PRA's Business Plan sets out the workplan for each of its strategic goals to support the delivery of the PRA's strategy, together with an overview of the budget for the period 1 March 2019 to 29 February 2020.</p>
April 15, 2019	PRA	<p><u>Enforcement: Changes to the PRA's Settlement Policy – CP 10/19</u> This consultation paper sets out proposals to amend its policy on the settlement of enforcement action. This is by way of proposed amendments to Statement of Policy <i>The Prudential Regulation Authority's Approach to Enforcement: Statutory Statements of Policy and Procedure</i> ('the PRA's Enforcement Statement of Policy').</p>
April 17, 2019	Bank of England	<p><u>Open Letter on Climate-related Financial Risks</u> Open letter from the Governor of Bank of England Mark Carney, Governor of Banque de France François Villeroy de Galhau and Chair of the Network for Greening the Financial Services Frank Elderson.</p>

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April 26, 2019	FCA	<p><u>FCA Statement on Delay to Publication of Final Rules for CFDs Products and CFD-like Options</u> This statement provides an update on the FCA’s consultation on permanent product intervention measures to restrict the sale, marketing and distribution of contract for differences (CFDs) and CFD-like options sold to retail clients.</p>
April 17, 2019	FCA	<p><u>FCA Sets Out Its Priorities for 2019/2020</u> The FCA has published its Business Plan for 2019/20, which outlines the key priorities for the coming year.</p>
April 30, 2019	APRA	<p><u>Review of APRA’s 2013 Superannuation Prudential Framework</u> APRA has commenced consultation on an updated prudential standard requiring registrable superannuation entity licensees to assess the outcomes they are delivering for members.</p>
April 30, 2019	APRA	<p><u>APRA Consults on Updated Member Outcomes Assessment</u> APRA has commenced consultation on an updated prudential standard requiring registrable superannuation entity licensees to assess the outcomes they are delivering for members.</p>
April 16, 2019	APRA	<p><u>APRA’s Enforcement Approach</u> The Approach sets out how APRA will use its enforcement powers to prevent and address serious prudential risks, and to hold entities and individuals to account.</p>
April 2, 2019	APRA	<p><u>APRA Begins Consultation on Financial Sector (Shareholdings) Rules 2019</u> APRA has begun a consultation on draft rules that give clarity to owners of new entrant financial sector companies on whether they are likely to be approved under the <i>Financial Sector (Shareholdings) Act 1998</i> (FSSA).</p>
April 30, 2019	MAS	<p><u>Consultation Paper on the Proposed Notice on Prevention of Money Laundering and Countering the Financing of Terrorism for Variable Capital Companies</u> MAS is introducing a notice to variable capital companies on anti-money laundering and countering the financing of terrorism. These requirements draw reference from international best practices and the standards set by the Financial Action Task Force.</p>
April 30, 2019	MAS	<p><u>Consultation Paper on the Proposed Framework for Variable Capital Companies Part 2</u> MAS is consulting on: i) the proposed new regulations for the VCC framework; and ii) other amendments to existing rules and regulations, such as the SFR(CIS), CIS Code and AML/CFT notice for VCCs, to provide the operational framework to facilitate the implementation of this new regime.</p>
April 25, 2019	MAS	<p><u>Update to E-Payments User Protection Guidelines</u> MAS has updated the E-Payments User Protection Guidelines to clarify that the Guidelines do not override customers’ instructions to their financial institutions on transaction notification thresholds for e-payments.</p>
April 10, 2019	MAS	<p><u>Proposed Payment Services Regulations</u> MAS intends to prescribe three sets of regulations and one order to effect the objectives of the <i>Payment Services Act</i>: i) <i>Payment Services Regulations</i> (“PS Regulations”); ii) <i>Payment Services (Exemptions for a limited period of time) Regulations</i>; iii) <i>Payment Services (Singapore Dollar Cheque Clearing System and Inter-Bank GIRO System) Regulations</i> (“Clearing Regulations”); and iv) <i>Payment Services (Designated Payment Systems) Order</i> (“DPS Order”).</p>

Date	Organization	Title & Abstract
April 25, 2019	CFTC	<p><u>CFTC Approves Proposed Rule to Improve Data Quality and Streamline Regulations for Swap Data Repositories</u> The CFTC approved a proposed rule to improve the quality of swap data and to update and streamline regulations related to swap data repository operations and governance. The proposed rule is the first rulemaking that is part of the <i>Roadmap to Achieve High Quality Swaps Data</i>, a comprehensive review of swap reporting regulations that the CFTC's Division of Market Oversight announced in July 2017.</p>
April 16, 2019	Federal Reserve FDIC	<p><u>Proposed Rule on Resolution Planning Requirements</u> The agencies are inviting comment on a proposal to amend and restate the jointly issued regulation implementing the resolution planning requirements of section 165(d) of the <i>Dodd-Frank Wall Street Reform and Consumer Protection Act</i>.</p>
April 23, 2019	Federal Reserve	<p><u>Federal Reserve Board Invites Public Comment on Proposal to Simplify and Increase the Transparency of Rules for Determining Control of a Banking Organization</u> The Federal Reserve Board invited public comment on a proposal that would simplify and increase the transparency of the Board's rules for determining control of a banking organization.</p>
April 8, 2019	Federal Reserve	<p><u>Federal Reserve Board Invites Public Comment on Regulatory Framework That Would More Closely Match Rules for Foreign Banks With the Risks They Pose to U.S. Financial System</u> The Federal Reserve Board invited public comment on a regulatory framework that would more closely match the rules for foreign banks with the risks they pose to the U.S. financial system. The changes would maintain the most stringent requirements for firms with the most risk, while reducing compliance requirements for firms with less risk. Under the proposed framework, foreign banks with \$100 billion or more in U.S. assets would be sorted into categories of increasingly stringent requirements based on several factors.</p>
April 16, 2019	FDIC	<p><u>FDIC Seeks Comment on New Approaches to Insured Depository Institution Resolution Planning</u> The FDIC approved an Advance Notice of Proposed Rulemaking seeking comment on ways to tailor and improve the agency's rule requiring certain insured depository institutions to submit resolution plans.</p>
April 18, 2019	Federal Reserve FDIC OCC	<p><u>Agencies Seek Comments on Revisions to the Supplementary Leverage Ratio as Required by Economic Growth, Regulatory Relief, and Consumer Protection Act</u> The federal bank regulatory agencies requested comment on a proposal to modify a capital requirement for U.S. banking organizations predominantly engaged in custodial activities, as required by the <i>Economic Growth, Regulatory Relief, and Consumer Protection Act</i> (EGRRCPA).</p>
April 2, 2019	Federal Reserve FDIC OCC	<p><u>Agencies Propose Rule to Limit Impact of Large Bank Failures</u> The federal banking agencies proposed a rule to limit the interconnectedness of large banking organizations and reduce the impact from failure of the largest banking organizations. The proposal would complement other measures that the banking agencies have taken to limit interconnectedness among large banking organizations.</p>
April 2019	Banque de France	<p><u>A Call for Action: Climate Change as a Source of Financial Risk</u> The report provides six recommendations for central banks, supervisors, policymakers and financial institutions to enhance their role in the greening of the financial system and the managing of environment and climate-related risks.</p>

International Organizations

Date	Organization	Title & Abstract
April 2019	BIS	<p><u>BigTech and the Changing Structure of Financial Intermediation</u> This paper investigates the entry of big technology companies (BigTech) into financial services. It seeks to address three questions: What economic forces are driving this development? Do BigTech lenders have an information advantage compared with traditional data or processing methods, particularly when gauging creditworthiness? Do firms receiving BigTech credit perform differently from competitors?</p>
April 2019	IMF	<p><u>The Financial Inclusion Landscape in the Asia-Pacific Region: A Dozen Key Findings</u> The focus of this paper is to take stock of the current state of financial inclusion in the Asia-Pacific region by highlighting twelve stylized facts about the state of financial inclusion in these countries.</p>
April 2019	IMF	<p><u>The Global Economic Recovery 10 Years After the 2008 Financial Crisis</u> This paper takes stock of the global economic recovery a decade after the 2008 financial crisis.</p>
April 2019	United Nations Capital Development Fund	<p><u>Digital Transformation of MFIs in Bangladesh</u> This report elaborates on the status of digitization in the microfinance sector in Bangladesh and explores technology options and next steps towards digital transformation. It presents internal and external challenges faced by the microfinance sector in Bangladesh and the need for digital transformation. The research focuses on various options of digital transformation as a way forward, identifying key pillars for digital transformation including digitizing processes, digitizing product and business models, digitizing channels and digitizing customer engagement.</p>
February 2019	World Bank	<p><u>Advancing Digital Financial Inclusion in ASEAN: Policy and Regulatory Enablers</u> This report provides a cross-country overview of the policy and regulatory framework for digital financial services (DFS) in ASEAN from a financial inclusion perspective. It is intended to support DFS policymakers in emerging markets and developing economies by providing a structured approach for the analysis of DFS and financial inclusion. It provides examples of how countries are progressing in pushing further DFS growth, and the type of challenges they are facing.</p>

Industry

Date	Organization	Title & Abstract
March 2019	GSMA	<p><u>Mobile Money: Key Success Factors of a National Financial Inclusion Strategy</u> By drawing examples from different countries, this paper highlights key enablers of a successful NFIS for mobile money, which include: i) high-level project sponsorship; ii) project planning; iii) issue framing for excluded groups; iv) stakeholder mapping; v) governance and implementation structures; vi) public participation/stakeholder engagement; vii) monitoring and evaluation; and viii) strategy refresh.</p>

Date	Organization	Title & Abstract
April 2019	IIF	<p>Sustainable Finance in Focus: Greening Infrastructure in Emerging Market Brief report notes that environmental, social and governance considerations are front and centre for EM infrastructure, and that blended finance and credit enhancement play a key role in bridging the infrastructure finance gap.</p>

Other

Date	Organization	Title & Abstract
March 2019	Brookings Institution	<p>Global Development Disrupted: Findings from a Survey of 93 Leaders A survey of 93 leaders, representing a wide range of organizations working to advance human well-being and economic development, reveals a global development sector in transition and perhaps even turmoil. Ending extreme poverty is no longer the defining lens through which development is viewed. State fragility and climate were mentioned nearly three times more often than poverty. Leaders worry that responses to these and other global challenges are inadequate.</p>
April 2019	International Finance Corporation; Mastercard Foundation	<p>Small Businesses and Digital Financial Services This report discusses predictive data models to help a mobile network operator in Sub-Saharan Africa identify MSMEs in its market and better understand how to serve them. It shows that MSMEs can be accurately identified with a high degree of statistical confidence. Moreover, the analytic method can be used to segment those MSMEs into more granular business profiles. The segmentation algorithm is driven by patterns of how MSMEs use mobile money. The emerging segments differ in their business characteristics and their financial needs.</p>