

# Toronto Centre Publications Monitoring Report

## May 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.*

### Standard Setting Bodies

Date	Organization	Title & Abstract
May 31, 2019	FSB	<p><b><u>FSB Reports on Work Underway to Address Crypto-asset Risks</u></b>            The FSB published a report on crypto-assets, which considers work underway, regulatory approaches and potential gaps. The report, <i>Crypto-assets: Work Underway, Regulatory Approaches and Potential Gaps</i>, concludes with a recommendation that the G20 keep the topic of regulatory approaches and potential gaps, including the question of whether more coordination is needed, under review.</p>
May 28, 2019	FSB	<p><b><u>FSB Updates G20 on its Work Related to Cyber Incident Response and Recovery</u></b>            The FSB published a progress report on its work on developing effective practices for financial institutions' response to, and recovery from, a cyber incident. The report is called <i>Cyber Incident Response and Recovery: Progress Report to the G20 Finance Ministers and Central Bank Governors</i>.</p>
May 28, 2019	FSB	<p><b><u>FSB Publishes Peer Review of Implementation of the Legal Entity Identifier</u></b>            The FSB published a <i>Thematic Review on Implementation of the Legal Entity Identifier (LEI)</i>. The report sets out four sets of recommendations to address the issues identified in the peer review and promote broader LEI adoption.</p>

Date	Organization	Title & Abstract
May 23, 2019	FSB	<p><b><u>FSB Launches Evaluation of Too-Big-to-Fail Reforms and Invites Feedback from Stakeholders</u></b>            The FSB is seeking feedback from stakeholders as part of its evaluation of the effects of the too-big-to-fail (TBTF) reforms for banks that were agreed by the G20 in the aftermath of the global financial crisis. The evaluation will assess whether the implemented reforms are reducing the systemic and moral hazard risks associated with systemically important banks (SIBs). It will also examine the broader effects of the reforms to address TBTF for SIBs on the overall functioning of the financial system.</p>
May 7, 2019	BCBS	<p><b><u>Sixteenth Progress Report on Adoption of the Basel Regulatory Framework</u></b>            This updated progress report provides a high-level view of Basel Committee members' progress in adopting Basel III standards as of end-March 2019. The report includes the status of adoption of the Basel III risk-based capital standards, the leverage ratio, the standards for global and domestic systemically important banks and interest rate risk in the banking book, the Net Stable Funding Ratio, the large exposures framework and the disclosure requirements.</p>
May 28, 2019	EBA	<p><b><u>EBA Publishes Amended Technical Standards on Supervisory and Resolution Reporting for EU Institutions and the Corresponding DPM and XBRL Taxonomy 2.9</u></b>            The EBA published amendments to the Implementing Technical Standards on supervisory reporting. The updated corresponding Data Point Model and XBRL taxonomy include amendments to COREP and Liquidity, as well as to resolution planning reporting.</p>
May 2, 2019	EBA	<p><b><u>EBA Launches Consultation on Technical Standards on the Standardised Approach for Counterparty Credit Risk</u></b>            The EBA launched a consultation on four draft Regulatory Technical Standards on the Standardised Approach for Counterparty Credit Risk (SA-CCR). These draft technical standards specify key aspects of the SA-CCR and represent an important contribution to its smooth harmonized implementation in the EU. The draft technical standards were developed based on the mandates included in the latest available version of proposed amended <i>Capital Requirements Regulation (CRR2)</i>.</p>
May 27, 2019	ESMA	<p><b><u>ESMA Consults on Periodic Reporting Rules for Trade Repositories</u></b>            ESMA has published guidelines setting out the information that should be periodically submitted by trade repositories to ESMA.</p>
May 3, 2019	ESMA	<p><b><u>ESMA Submits Technical Advice on Sustainable Finance to the European Commission</u></b>            ESMA has published its technical advice to the EC on Sustainable Finance initiatives to support the EC's Sustainability Action Plan in the areas of investment services and investment funds. The two final reports contain technical advice to the EC on the integration of sustainability risks and factors, relating to environmental, social and good governance considerations with regards to investment firms and investment funds, into the <i>Markets in Financial Instruments Directive II (MiFID II)</i>, the <i>Alternative Investment Fund Managers Directive (AIFMD)</i> and the <i>Undertakings in Collective Investment in Transferable Securities (UCITS) Directive</i>.</p>

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May 22, 2019	EBA EIOPA ESMA	<p><b><u>ESAs Launch Consultation on Technical Standards on the Reporting of Intra-group Transactions and Risk Concentration for Financial Conglomerates</u></b></p> <p>The three European Supervisory Authorities launched a consultation on draft Implementing Technical Standards on the reporting of intra-group transactions and risk concentration for financial conglomerates. The draft technical standards were developed based on the mandate included in <i>Financial Conglomerates Directive</i>.</p>
May 28, 2019	IOSCO	<p><b><u>IOSCO Requests Feedback on Key Considerations for Regulating Crypto-asset Trading Platforms</u></b></p> <p>IOSCO is seeking comments on a consultation paper, <i>Risks and Regulatory Considerations Relating to Crypto-Asset Trading Platforms</i>, that describes the issues associated with crypto-asset trading platforms (CTPs) and sets forth key considerations to assist regulatory authorities in addressing these issues. The report sets out key considerations that are intended to assist regulatory authorities in evaluating CTPs within the context of their regulatory frameworks.</p>
May 27, 2019	CPMI	<p><b><u>CPMI Publishes New Data on Correspondent Banking Networks Showing 20% Reduction in Relationships Over Seven Years</u></b></p> <p>The number of correspondent banking relationships has shrunk by 20% over the past seven years, according to analysis of new data just published by the CPMI. This new data shows a broad-based and global reduction in their number as their geographical focus narrows.</p>

## National Regulators

Date	Organization	Title & Abstract
May 22, 2019	PRA	<p><b><u>A Framework for Assessing Financial Impacts of Physical Climate Change: A Practitioner's Aide for the General Insurance Sector</u></b></p> <p>This report has been written by a cross-industry working group to outline a framework for practitioners in the general insurance sector to use to assess the financial impacts of physical climate change.</p>
May 22, 2019	PRA	<p><b><u>Solvency II: Maintenance of the Transitional Measure on Technical Provisions - CP 11/19</u></b></p> <p>This consultation paper sets out the PRA's proposals to update SS/16 <i>Maintenance of the 'Transitional Measure on Technical Provisions' Under Solvency II</i>. The proposals are aimed at: i) providing additional guidance for firms proposing to use a proportionate approach to the transitional measure on technical provisions recalculation methodology; and ii) providing further clarity on the consistency of Solvency I and Solvency II methodologies.</p>
May 2, 2019	FCA	<p><b><u>FCA Opens Debate on Intergenerational Finance: How Industry and Regulators Should Respond to Demographic Change</u></b></p> <p>The FCA has published a discussion paper, <i>Intergenerational Differences</i>, that explores the changing financial needs of consumers from different age groups.</p>

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May 1, 2019	FCA	<p><b><u>FCA Begins Review of Financial Advice Market</u></b>            The FCA has launched a Call for Input asking for feedback on its proposed approach to reviewing the <i>Retail Distribution Review</i> and the <i>Financial Advice Market Review</i>. The FCA's review will consider whether these initiatives have been successful in achieving their objectives. The review will look at what consumers want from the market and how the market works to deliver this.</p>
May 21, 2019	APRA	<p><b><u>Self-assessments of Governance, Accountability and Culture</u></b>            APRA has released a report analyzing the self-assessments carried out by 36 of the country's largest banks, insurers and superannuation licensees in response to the <i>Final Report</i> of the Prudential Inquiry into Commonwealth Bank of Australia.</p>
May 2, 2019	APRA	<p><b><u>Thematic Review of Individual Disability Income Insurance – Phase Two</u></b>            This letter sets out APRA's expectations for all APRA-regulated life insurers and friendly societies with exposure to individual disability income insurance (individual DII). Addressing these expectations will be critical to enhancing the sustainability of the market for individual DII.</p>
May 1, 2019	CFTC	<p><b><u>CFTC Staff Issues Clearinghouse Supervisory Stress Test Report</u></b>            The CFTC issued <i>CCP Supervisory Stress Tests: Reverse Stress Test and Liquidation Stress Test</i>, a two-part report that includes the results of a reverse stress test of central counterparties or clearinghouses resources and an analysis of stressed liquidation costs.</p>
May 3, 2019	Federal Reserve Board	<p><b><u>Federal Reserve Board Invites Comment on a Proposal to Apply Netting Protections to a Broader Range of Financial Institutions</u></b>            The FRB requested comment on a proposal to reduce risk and increase efficiency in the financial system by applying netting protections to a broader range of financial institutions. The proposal would amend Regulation EE (Financial Institution Netting) to apply netting provisions of the <i>Federal Deposit Insurance Corporation Improvement Act of 1991</i> (FDICIA) to certain new entities including swap dealers.</p>
May 10, 2019	SEC	<p><b><u>SEC Proposes Actions to Improve Cross-Border Application of Security-Based Swap Requirements</u></b>            The SEC proposed a package of rule amendments and interpretive guidance to improve the framework for regulating cross-border security-based swaps transactions and market participants. The proposals are intended to improve the regulatory framework by pragmatically addressing implementation issues and efficiency concerns, and in some cases further harmonizing the regulatory regime governing security-based swaps administered by the Commission with the regulatory regime governing swaps administered by the CFTC.</p>
May 6, 2019	HKMA	<p><b><u>HKMA Introduces Key Measures on Sustainable Banking and Green Finance</u></b>            The HKMA unveiled three sets of measures to support and promote Hong Kong's green finance development. These measures include: i) green and sustainable banking; ii) responsible investment; and iii) establishing a Centre for Green Finance.</p>
May 3, 2019	HKMA	<p><b><u>Use of Personal Data in FinTech Development</u></b>            HKMA has encouraged authorized institutions to adopt and implement the Ethical Accountability Framework for the collection and use of personal data issued by the Office of the Privacy Commissioner for Personal Data.</p>

Date	Organization	Title & Abstract
May 2019	Monetary Authority of Singapore	<p><b><u>Proposed Implementation of the Final Basel III Reforms in Singapore</u></b>            MAS seeks feedback on proposed revisions to the risk-based capital requirements and leverage ratio requirements for Singapore-incorporated banks. MAS proposes to revise the capital requirements for Singapore-incorporated banks to align with the Basel III reforms, and to implement these revisions from 1 January 2022.</p>
May 24, 2019	Reserve Bank of India	<p><b><u>RBI Releases Draft Circular on “Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies” for Public Comments</u></b>            The RBI has released a draft circular, <i>Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) and Core Investment Companies (CICs)</i> to be adopted by all deposit taking NBFCs, non-deposit taking NBFCs with an asset size of ₹ 100 crore and above, and all CICs registered with the Reserve Bank.</p>

## International Organizations

Date	Organization	Title & Abstract
May 2019	CGAP	<p><b><u>FinTechs and Financial Inclusion</u></b>            This paper documents CGAP’s work with 18 FinTech pilots in Africa and South Asia. The goal of the paper is to explain innovations in a detailed way and generate insight on whether the services: i) work as stated; ii) create value for underserved customers; and iii) ease age-old pain points in delivering financial services to underserved customers. A separate set of case studies describes for each pilot the service that was piloted, the nature of the testing, and emerging lessons.</p>
May 2019	IMF	<p><b><u>FinTech in Financial Inclusion: Machine Learning Applications in Assessing Credit Risk</u></b>            This paper discusses potential strengths and weaknesses of machine-learning (ML)-based credit assessment through: i) presenting core ideas and the most common techniques in ML for the nontechnical audience; and ii) discussing the fundamental challenges in credit risk analysis.</p>
May 2019	IMF	<p><b><u>Fiscal Policies for Paris Climate Strategies—from Principle to Practice</u></b>            This paper discusses the role of, and provides practical country-level guidance on, fiscal policies for implementing climate strategies using a unique and transparent tool laying out trade-offs among policy options.</p>
May 2019	IMF	<p><b><u>Informality and Gender Gaps Going Hand in Hand</u></b>            In sub-Saharan Africa women work relatively more in the informal sector than men. This paper uses microdata from Senegal to assess the probability of a worker being informal. The main findings are: i) in urban areas, being a woman increases this probability by 8.5 percent; ii) education is usually more relevant for women; (iii) having kids reduces men’s probability of being informal but increases women’s.</p>

Date	Organization	Title & Abstract
May 2019	IMF	<p><b><u>Is Technology Widening the Gender Gap? Automation and the Future of Female Employment</u></b>            Our results indicate that female workers are at a significantly higher risk for displacement by automation than male workers, with 11 percent of the female workforce at high risk of being automated given the current state of technology, albeit with significant cross-country heterogeneity. The probability of automation is lower for younger cohorts of women, and for those in managerial positions.</p>
March 2019	UN Capital Development Fund	<p><b><u>Gender Centrality of Mobile Financial Services in Bangladesh</u></b>            Among retail micro-merchants in Bangladesh, the need for financial services is high and mobile penetration is high, yet use of mobile financial services is low, especially among women micro-merchants. This consumer behavior research aims to investigate why this is so, examining the gender centrality in digital financial services (DFS) in Bangladesh. The study focused only on mobile financial services as the most prevalent form of DFS in Bangladesh.</p>

## Industry

Date	Organization	Title & Abstract
May 2019	Society of Actuaries	<p><b><u>Technology in Microinsurance: How New Developments Affect the Work of Actuaries</u></b>            This literature review provides insights on emerging technologies that interact with the actuarial profession within the space of microinsurance for the purpose of establishing a frame of reference for actuaries to use in their work.</p>

## Other

Date	Organization	Title & Abstract
April 2019	Alliance for Financial Inclusion	<p><b><u>Integrating Gender and Women's Financial Inclusion Into the Central Bank of Egypt's Framework</u></b>            This case study shares in-depth insights into how the Central Bank of Egypt and national stakeholders have exerted substantial efforts to address gender and women's financial exclusion.</p>