

# Toronto Centre Publications Monitoring Report

## June 2021

*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 Podcasts/Webcasts/Videos

Date	Organization	Title & Abstract
June 17, 2021	Toronto Centre	<b><u>The People Side of Supervision: Living at Work vs. Working from Home</u></b> One year into the pandemic, many financial supervisors around the world have experienced working remotely. This podcast discusses the present and future of remote work.

### Standard Setting Bodies

Date	Organization	Title & Abstract
June 10, 2021	BCBS	<b><u>Basel Committee Consults on Prudential Treatment of Cryptoasset Exposures</u></b> The BCBS issued a public consultation on preliminary proposals for the prudential treatment of banks' cryptoasset exposures. The proposed prudential treatment outlined in the consultation divides cryptoassets into two broad groups.

Date	Organization	Title & Abstract
June 28, 2021	FSB	<p><b><u>FSB Launches Thematic Peer Review on Corporate Debt Workouts and Invites Feedback from Stakeholders</u></b></p> <p>The FSB is seeking feedback from stakeholders as part of its thematic peer review on corporate debt workouts. The objective of the review is to support COVID-19 response efforts by examining FSB member jurisdictions' practices, experiences and lessons from out of court debt workouts and the implications for financial stability.</p>
June 30, 2021	EBA	<p><b><u>EBA Consults on Technical Standards on Risk Retention Requirements Under the Securitization Regulation</u></b></p> <p>The EBA launched a public consultation on draft Regulatory Technical Standards (RTS) specifying the requirements for originators, sponsors, original lenders and servicers related to risk retention, in line with the <i>Securitization Regulation</i>.</p>
June 29, 2021	EBA	<p><b><u>EBA Assesses Benefits, Challenges and Risks of RegTech Use in the EU and Puts Forward Steps to be Taken to Support Sound Adoption and Scale-up of RegTech Solutions</u></b></p> <p>The EBA published an analysis of the current RegTech landscape in the EU. The report assesses the overall benefits and challenges faced by financial institutions and RegTech providers in the use of RegTech. It also identifies potential risks arising from RegTech solutions that supervisors will need to address and proposes actions designed to enhance knowledge and skills in competent authorities.</p>
June 28, 2021	EBA	<p><b><u>EBA Consults to Review Its Guidelines on Common Procedures and Methodologies for the Supervisory Review and Evaluation Process</u></b></p> <p>The EBA launched a public consultation on its revised guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing. The comprehensive revisions aim at implementing the recent amendments to the <i>Capital Requirements Directive</i> (CRD V) and <i>Capital Requirements Regulation</i> (CRR II), as well as aligning with other regulatory developments and best supervisory practices.</p>
June 25, 2021	EBA	<p><b><u>EBA Publishes Final Draft Technical Standards on Supervisory Disclosure Under the Investment Firms Directive</u></b></p> <p>The EBA published its final draft Implementing Technical Standards (ITS) on information on supervisory approaches and aggregate statistical data concerning the new prudential requirements that competent authorities will have to disclose publicly for all types of investment firms authorized under the <i>Markets in Financial Instruments Directive</i> (MiFID).</p>
June 24, 2021	EBA	<p><b><u>EBA Updates on Monitoring of Additional Tier 1 Instruments and Issues Recommendations for ESG-linked Capital Issuances</u></b></p> <p>The EBA published its updated report on the monitoring of Additional Tier 1 (AT1) instruments including an update on the monitoring of the implementation of the EBA's opinion on legacy instruments and its considerations on ESG capital bonds.</p>
June 24, 2021	EBA	<p><b><u>EBA Launches Consultation to Amend Technical Standards on Credit Risk Adjustments</u></b></p> <p>The EBA launched a public consultation on amendments to its Regulatory Technical Standards (RTS) on credit risk adjustments in the context of the calculation of the Risk Weight (RW) of defaulted exposures under the Standardized Approach (SA).</p>

Date	Organization	Title & Abstract
June 23, 2021	EBA	<p><b><u>EBA Publishes Its Report on Management and Supervision of ESG Risks for Credit Institutions</u></b>            The EBA published its report on Environmental, Social and Governance (ESG) risks management and supervision. The report provides a comprehensive proposal on how ESG factors and ESG risks should be included in the regulatory and supervisory framework for credit institutions and investment firms.</p>
June 23, 2021	EBA	<p><b><u>EBA Updates on Monitoring of Additional Tier 1 Instruments and Issues Recommendations for ESG-linked Capital Issuances</u></b>            The EBA published its updated report on the monitoring of Additional Tier 1 (AT1) instruments, including an update on the monitoring of the implementation of the EBA's opinion on legacy instruments and its considerations on ESG capital bonds. The objective of this update is to further strengthen the robustness and quality of EU institutions' own funds and eligible liabilities instruments.</p>
June 11, 2021	EBA	<p><b><u>EBA Publishes Report on the Data Provided by PSPs on Their Readiness to Apply Strong Customer Authentication for E-Commerce Card-Based Payment Transactions</u></b>            The EBA published a report on the data provided by PSPs on their readiness to apply SCA for the subset of payment transactions that are e-commerce card-based payment transactions. The report highlights the status of issuing and acquiring PSPs in enrolling online merchants, payment cards and payment service users (PSUs) into SCA-compliant solutions, and in requesting SCA for online payment transactions after 31 December 2020, when the SCA migration period ended.</p>
June 10, 2021	EBA	<p><b><u>EBA Issues Revised List of ITS Validation Rules</u></b>            The EBA issued a revised list of validation rules in its Implementing Technical Standards (ITS) on supervisory reporting, highlighting those, which have been deactivated either for incorrectness or for triggering IT problems.</p>
June 10, 2021	EBA	<p><b><u>EBA Publishes Final Revised Guidelines on Major Incident Reporting Under PSD2</u></b>            The EBA published its final revised guidelines on major incident reporting under the <i>Payment Service Directive</i> (PSD2). The revised guidelines optimize and simplify the reporting process and templates, focus on incidents with significant impact on payment service providers (PSPs), and improve the meaningfulness of the information to be reported.</p>
June 7, 2021	EBA	<p><b><u>EBA Updates List of Risk Indicators and Analysis Tools</u></b>            The EBA published an updated list of indicators for risk assessment and risk analysis tools, together with the accompanying methodological guide. This guidance, which describes how risk indicators are computed in EBA publications, allows competent authorities and users of EBA data to interpret key bank figures in a consistent fashion when conducting their risk assessments and analyses.</p>
June 7, 2021	EBA	<p><b><u>EBA Makes Recommendations for Reducing Supervisory Reporting Costs</u></b>            The EBA has finalized its comprehensive study of the cost of compliance of European Economic Area (EEA) banks with the supervisory reporting requirements.</p>

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June 4, 2021	EBA	<p><b><u>EBA Consults on Technical Standards on Crowdfunding Service Providers</u></b>            The EBA published a consultation paper on draft Regulatory Technical Standards (RTS) specifying the information that crowdfunding service providers offering individual portfolio management of loans shall provide to investors in relation to the method to assess credit risk, and on each individual portfolio. The draft Regulatory Technical Standards also specify the policies, procedures and organizational arrangements that crowdfunding service providers shall have in place in relation to any contingency fund they may offer to investors.</p>
June 15, 2021	ECB	<p><b><u>ECB Launches Consultation on its Revised Guide to Fit and Proper Assessments</u></b>            The ECB is launching a public consultation on the draft of a revised and more comprehensive version of its <i>Guide to Fit and Proper Assessments</i> and a new <i>Fit and Proper Questionnaire</i>.</p>
June 23, 2021	IAIS	<p><b><u>Public Consultation on Draft Issues Paper on Insurer Culture</u></b>            The IAIS is seeking feedback on the draft <i>Issues Paper on Insurer Culture</i>. The paper explores the concept of insurer culture as a point of intersection for prudential and conduct risks, with examples to illustrate the broader role of culture in managing these risks.</p>
June 23, 2021	IAIS	<p><b><u>Public Consultation on Draft Revised Application Paper on Supervisory Colleges</u></b>            The IAIS is seeking feedback on the draft revised <i>Application Paper on Supervisory Colleges</i>. The paper describes the processes and practices related to the establishment and functioning of supervisory colleges for insurance groups with cross-border activities.</p>
June 23, 2021	IAIS	<p><b><u>Application Paper on Supervision of Control Functions</u></b>            This application paper describes practices aimed at helping supervisors address issues related to the supervision of control functions as described in the <i>Insurance Core Principles (ICPs)</i> and the <i>Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame)</i>.</p>
June 23, 2021	IAIS	<p><b><u>Application Paper on Resolution Powers and Planning</u></b>            This paper aims to: i) provide support to supervisors and/or resolution authorities on the practical application of resolution powers, as well as on cooperation and coordination between authorities when planning for, and exercising, such powers; ii) provide support with regard to resolution planning, which may be beneficial to supervisors, resolution authorities and/or insurers, depending on the circumstances within a jurisdiction; and iii) provide examples to illustrate the application of standards and guidance relevant to resolution.</p>
June 4, 2021	IAIS	<p><b><u>IAIS Publishes Aggregate Report on the Results of the Holistic Framework Baseline Assessment</u></b>            This report provides the results and observations from the Baseline Assessment (BLA) of the implementation of the supervisory material related to the IAIS Holistic Framework for the assessment and mitigation of Systemic Risk in the Insurance Sector (Holistic Framework).</p>
June 30, 2021	IOSCO	<p><b><u>IOSCO Consults on Sustainability-related Regulatory and Supervisory Expectations in Asset Management</u></b>            IOSCO is requesting feedback on proposed recommendations about sustainability-related regulatory and supervisory expectations in asset management.</p>
June 28, 2021	IOSCO	<p><b><u>Report on Sustainability-related Issuer Disclosures</u></b>            IOSCO elaborates on its vision and expectations for the IFRS Foundation's work towards a global baseline of investor-focused sustainability standards to improve the global consistency, comparability and reliability of sustainability reporting.</p>

## National Regulators

Date	Organization	Title & Abstract
June 21, 2021	OSFI	<p><b><u>Industry Consultation – Draft Insurance Capital Guidelines 2023</u></b> OSFI is working with the insurance industries to revise the draft insurance capital guidelines for IFRS 17. The draft guidelines help to collect stakeholder comments and refine the capital expectations that institutions will be expected to meet upon implementation of IFRS 17.</p>
June 18, 2021	OSFI	<p><b><u>Proposed Operational Risk Capital Data Management Expectations</u></b> OSFI is releasing for consultation two documents on the proposed management of operational risk capital data for institutions required, or those applying, to use the Basel III Standardized Approach for Operational Risk (“SA”) capital in Canada: i) <i>Data Maintenance Expectations for Institutions Using the Standardized Approach for Operational Risk Capital Data (“DME”)</i>; and ii) <i>Assessment Tool - Operational Risk Capital Data (“AT”)</i>.</p>
June 29, 2021	PRA FCP	<p><b><u>Consultations by the FPC and PRA on Changes to the UK Leverage Ratio Framework – CP 14/21</u></b> This document outlines the changes that the Financial Policy Committee proposes to make to the UK leverage ratio framework, and the PRA’s proposed approach to implementing these changes.</p>
June 21, 2021	PRA	<p><b><u>Financial Holding Companies: Further Implementation – CP 12/21</u></b> This consultation paper sets out the PRA’s proposed rules in respect of the application of existing consolidated prudential requirements to financial holding companies and mixed financial holding companies that have been approved or designated in accordance with Part 12B of the <i>Financial Services and Markets Act 2000</i> (FSMA).</p>
June 17, 2021	Bank of England	<p><b><u>The Bank of England’s Climate-related Financial Disclosure 2021</u></b> The Bank published its climate-related financial disclosure in June 2021, which sets out the Bank’s approach to managing the risks from climate change across its entire operations.</p>
June 22, 2021	FCA	<p><b><u>FCA Consults on Further Climate-related Disclosure Rules</u></b> The FCA has published new proposals on climate-related disclosure rules for listed companies and certain regulated firms.</p>
May 2021	GIZ	<p><b><u>Women’s Financial Inclusion Toolkit</u></b> The toolkit provides readers with an overview of women’s financial inclusion and covers the topics of project scoping, design, and implementation as well as impact measurement. It features practical tools, guidance, and specific project ideas as well as seven detailed case studies from various countries with different challenges, target groups, and activities.</p>
June 14, 2021	Reserve Bank of India	<p><b><u>RBI Releases Consultative Document on Regulation of Microfinance</u></b> The suggested framework is intended to be made applicable to the microfinance loans provided by all entities regulated by the Reserve Bank and is aimed at protecting the microfinance borrowers from over-indebtedness as well as enabling competitive forces to bring down the interest rates by empowering the borrowers to make an informed decision.</p>

## International Organizations

Date	Organization	Title & Abstract
June 10, 2021	BIS	<b><u>The Accountability Regime of Banking Supervisors: With Great Power Comes Great Responsibility</u></b> This brief examines the accountability regimes of banking supervisors, focusing on how selected jurisdictions assess whether banking authorities fulfil their core S&S remit among other objectives.
June 2021	CGAP	<b><u>FinTech and Financial Inclusion: A Funders' Guide to Greater Impact</u></b> This focus note presents a vision for how development funders can support FinTech in EMDEs to enable innovative business models that provide greater impact for poor people. It offers guidance in three main areas: i) assessing and managing the impact potential of FinTech investments; ii) strategically funding to achieve impact and business potential; and iii) Influencing the market to support an ecosystem of FinTechs that serve low-income customers.
April 2021	World Bank	<b><u>Consumer Risks in FinTech</u></b> This paper identifies a range of consumer risks posed by FinTech, focusing on four key FinTech products (digital microcredit, peer-to-peer lending, investment-based crowdfunding, and e-money). It discusses consumer protection regulatory approaches emerging internationally for policy makers to consider when developing regulatory policy to target such risks.

## Industry

Date	Organization	Title & Abstract
June 2021	Geneva Association	<b><u>The Global Risk Landscape After COVID-19: What Role for insurance?</u></b> This report sheds new light on the changes brought about by the pandemic, which trends will stick and how their businesses will be impacted. It identifies four shifts that are likely to have the most significant effects on insurers and their role in the post-pandemic world, in this order: i) accelerated digitalization; ii) 'Big Government'; iii) pivot to resilience and sustainability; and iv) more remote working. It offers recommendations for an expanded role for insurance in the post-pandemic risk landscape.
June 10, 2021	IIF	<b><u>IIF Paper on the Importance of More Effective Cyber Incident Reporting</u></b> This IIF paper sets out to explain the current approach to cyber incident reporting across key jurisdictions and the ways in which it can be improved.