

Toronto Centre Publications Monitoring Report

July 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
July 2018	Toronto Centre	<u>Implementing Risk Based Supervision: A Guide for Senior Managers</u> This note discusses the cultural and managerial challenges that need to accompany the introduction of risk based supervision and suggests ways in which senior management should respond to these.
July 2018	Toronto Centre	<u>The Post-Crisis Challenges Facing Supervisors</u> This note discusses how emerging markets should approach the implementation of the post-crisis and other recent regulatory reforms into their national financial services regulation, considers the challenges for supervisors stemming from more wide-ranging, robust and complex regulatory requirements, provides an overview of emerging risks and supervisory responses, and discusses the importance of supervisory cooperation.

Standard Setting Bodies

Date	Organization	Title & Abstract
July 18, 2018	FSB	<p><u>FSB Consults on the Effects of Reforms on Infrastructure Finance</u> The FSB published a consultation report on the <i>Evaluation of the Effects of Financial Regulatory Reforms on Infrastructure Finance</i>, and is seeking public feedback on the results of the evaluation to date. The report concludes that the effect of the G20 financial reforms on infrastructure finance is of a second order relative to other factors, such as the macro-financial environment, government policy and institutional factors.</p>
July 16, 2018	FSB	<p><u>FSB Report Sets Out Framework to Monitor Crypto-Asset Markets</u> The FSB published a report delivered to the G20 Finance Ministers and Central Bank Governors on the work of the FSB and standard-setting bodies on crypto-assets. The report sets out the metrics that the FSB will use to monitor crypto-asset markets as part of its ongoing assessment of vulnerabilities in the financial system.</p>
July 16, 2018	FSB	<p><u>FSB Invites Responses from Prospective UPI Service Providers</u> The FSB has published a <i>Self-Assessment Questionnaire for Prospective UPI Service Providers</i> and is seeking responses from entities that wish to be designated by the FSB as a Service Provider for the Unique Product Identifier (UPI).</p>
July 12, 2018	FSB	<p><u>FSB Issues Statement on Reforms to Interest Rate Benchmarks</u> The FSB has published a statement on reforms to interbank offered rates (IBORs) and the development of overnight risk-free, or nearly risk-free, rates (RFRs) and term rates. The statement is intended to provide market participants and other stakeholders with the FSB's views ahead of a forthcoming consultation by the International Swaps and Derivatives Association which contemplates fall backs for certain derivative contracts based on overnight RFRs.</p>
July 5, 2018	BCBS	<p><u>Global Systemically Important Banks: Revised Assessment Methodology and the Higher Loss Absorbency Requirement</u> The BCBS published the <i>Global Systemically Important Banks: Revised Assessment Methodology and the Higher Loss Absorbency Requirement</i>. The revised methodology is expected to be implemented in member jurisdictions by 2021. Building on member jurisdictions' experience and the feedback received during the public consultation concluded in June 2017, the Committee has reconfirmed the fundamental structure of the global systemically important bank (G-SIB) framework.</p>
June 29, 2018	BCBS	<p><u>Basel Committee Issues Technical Amendments to the Net Stable Funding Ratio</u> The BCBS has approved a technical amendment which is related to the treatment of extraordinary monetary policy operations in the Net Stable Funding Ratio (NSFR). Effective immediately, this amendment allows reduced required stable funding factors for central bank claims with a maturity of more than six months, subject to a floor of 5%. This amendment aims to provide greater flexibility in the treatment of extraordinary central bank liquidity-absorbing monetary policy operations.</p>

Date	Organization	Title & Abstract
July 31, 2018	EBA	<p><u>EBA Publishes Final Draft Technical Standards on Home-Host Cooperation Under PSD2</u> The EBA published its final draft regulatory technical standards (RTS) specifying the framework for cooperation and the exchange of information between competent authorities under the revised Payment Services Directive (PSD2). The RTS also clarify the type of information as well as the templates to be used by payment institutions when reporting to the competent authorities of the host Member States on the payment business activities carried out in their territories.</p>
July 31, 2018	EBA	<p><u>EBA Updates the Joint Committee Guidelines on Complaints-Handling to Extend Their Scope of Application</u> The EBA published an update to the Joint Committee Guidelines on complaints-handling, which includes an extension of their scope of application to the authorities supervising the new institutions established under the revised Payment Service Directive (PSD2) and the Mortgage Credit Directive. This extension will ensure that an identical set of requirements for complaints-handling continues to apply to all financial institutions across the banking, investment and insurance sectors.</p>
July 31, 2018	EBA	<p><u>EBA Publishes Final Draft Technical Standards Defining the Homogeneity of the Underlying Exposures in Securitisation</u> The EBA published today its final draft Regulatory Technical Standards (RTS) setting out conditions for securitization to be deemed homogeneous. The RTS are part of 28 mandates assigned to the EBA within its important role in implementation of the new securitization framework.</p>
July 31, 2018	EBA	<p><u>EBA Sees Progress in the Functioning of Resolution Colleges in 2017 But Continued Effort is Needed</u> The EBA published its first report on the functioning of resolution colleges. The report summarizes the EBA's assessment of the quality of the colleges' organization, discussions held and general output. The report finds that good progress has been achieved since the introduction of the <i>Bank Recovery and Resolution Directive</i> (BRRD) in 2015, also considering that most colleges are only in their second year of operation. However, it also notes that resolution is a complex matter which requires further progress and continued effort to ensure college members are well prepared to deal with the failure of a cross-border bank.</p>
July 31, 2018	EBA	<p><u>EBA Publishes Final Draft Technical Standards on Risk Retention for Securitisation Transactions</u> The EBA published its final draft Regulatory Technical Standards (RTS) specifying the requirements for originators, sponsors and original lenders related to risk retention as laid down in the new EU securitization framework (STS Regulation). These final draft RTS, which replace the current Commission Delegated Regulation on risk retention, aim to provide clarity on the requirements relating to risk retention, thus reducing the risk of moral hazard and aligning interests.</p>
July 24, 2018	EBA	<p><u>EBA Publishes Its Assessment of European Secured Notes</u> The EBA published a report presenting the outcome of its assessment to the EC's call for advice on the European Secured Notes (ESNs). In addition, it puts forward recommendations on key aspects for the EC to consider when possibly designing the legislative framework for SME ESNs.</p>

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July 20, 2018	EBA	<p><u>EBA Updates on Monitoring of Additional Tier 1 Instruments</u> The EBA published its third updated report on the monitoring of Additional Tier 1 (AT1) instruments. The EBA's monitoring of capital instruments has been beneficial in the implementation of the <i>Capital Requirements Regulation</i> (CRR) and the provisions laid down in the related Regulatory Technical Standards (RTS) on own funds and has contributed to the enhancement of the quality of institutions' capital across the EU.</p>
July 20, 2018	EBA	<p><u>EBA Updates on Monitoring of CET1 Capital Instruments</u> The EBA published a new updated list of Common Equity Tier 1 (CET1) instruments of EU institutions. This list is accompanied by an updated CET1 Report, which includes information on the underlying objectives of the monitoring as well as on the consequences of including or excluding instruments in or from the CET1 list.</p>
July 19, 2018	EBA	<p><u>EBA Risk Dashboard Confirms Steady 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, along with the opinions of banks and market analysts from its Risk Assessment Questionnaire. In the first quarter of 2018, the updated dashboard identified ongoing improvements in the repair of the EU banking sector but also residual risks in banks' profitability.</p>
July 19, 2018	EBA	<p><u>EBA Publishes Final Guidance to Strengthen the Pillar 2 Framework</u> The EBA, in accordance with its Pillar 2 Roadmap, published its final revised guidelines aimed at further enhancing institutions' risk management and supervisory convergence in the supervisory review and examination process (SREP). The three reviewed guidelines focus on stress testing, particularly its use in setting Pillar 2 capital guidance (P2G), as well as interest rate risk in the banking book (IRRBB).</p>
July 18, 2018	EBA	<p><u>EBA Publishes Final Guidelines on Fraud Reporting Under PSD2</u> The EBA published its final guidelines on fraud reporting under the revised Payment Services Directive (PSD2). These guidelines, which the EBA developed in close cooperation with the European Central Bank and which are addressed to payment service providers and competent authorities, are aimed at contributing to the objective of PSD2 of enhancing the security of retail payments in the EU.</p>
July 10, 2018	EBA	<p><u>EBA Peer Review Shows Competent Authorities Have Robust and Consistent Procedures to Comply with RTS on Passport Notifications</u> The EBA published the final peer review <i>Report on the Regulatory Technical Standards (RTS)</i> on the information to be notified when exercising the right of establishment and the freedom to provide services for credit institutions. The report, which summarizes the main findings of the peer review exercise, showed that competent authorities have developed consistent and robust procedures to comply with the RTS requirements although the level of sophistication of these processes varies across Member States.</p>

Date	Organization	Title & Abstract
July 3, 2018	EBA	<p><u>EBA Assesses Risks and Opportunities from Fintech and its Impact on Incumbents Business Models</u> The EBA published the first products of its FinTech Roadmap: i) a thematic report on the impact of FinTech on incumbent credit institutions' business models; and ii) a thematic report on the prudential risks and opportunities arising for institutions from FinTech. Both reports fall under the wider context of the newly established EBA FinTech Knowledge Hub and aim to raise awareness within the supervisory community and the industry on potential prudential risks and opportunities from current and potential FinTech applications and understand the main trends that could impact incumbents' business models and pose potential challenges to their sustainability.</p>
July 11, 2018	ECB	<p><u>ECB Announces Further Steps in Supervisory Approach to Stock of NPLs</u> The ECB announced further steps in its supervisory approach for addressing the stock of non-performing loans (NPLs) in the euro area by setting bank-specific supervisory expectations for the provisioning of NPLs.</p>
July 3, 2018	ECB	<p><u>ECB Seeks Feedback on Draft ECB Regulation on Materiality Threshold for Credit Obligations Past Due</u> The ECB has published a draft ECB regulation on the definition of the materiality threshold for credit obligations past due. The definition will take the form of an ECB Regulation setting a single materiality threshold for all significant institutions within the Single Supervisory Mechanism, both for retail and for non-retail exposures, irrespective of the method used for the calculation of capital requirements. The materiality threshold will comprise an absolute component, expressed as a specific maximum amount for the sum of all amounts past due owed by an obligor, and a relative component, expressed as a percentage reflecting the amount of the credit obligation past due in relation to the total amount of all on-balance sheet exposures to that obligor.</p>
July 3, 2018	ECB	<p><u>Report on Recovery Plans</u> The report shares the lessons that the ECB Banking Supervision has learned and the best practices it has identified after three successive cycles of analyzing recovery plans in order to help significant institutions (SIs) further shape their plans and make them even more operational.</p>
July 30, 2018	ESMA	<p><u>Peer Review on the Guidelines on ETFs and Other UCITS Issues</u> This peer review assessed the level of compliance of six national competent authorities (NCAs) with ESMA's guidelines on efficient portfolio management techniques (EPM) and found a number of shortcomings in certain NCAs' approaches when supervising the use of EPM by Undertakings for Collective Investment in Transferable Securities (UCITS). National regulators need to improve their supervision of UCITS engaging in EPM.</p>
July 24, 2018	ESMA	<p><u>ESMA Review Finds Improvements With NCAs' Supervision of the Suitability Requirements</u> ESMA has issued a follow-up report regarding oversight by national competent authorities (NCAs) of the <i>Markets in Financial Instruments Directive</i> (MiFID) suitability requirements. The report assesses the actions ten NCAs have undertaken since the earlier peer review conducted in 2016. It identifies enhancements in supervising the requirements and greater deployment of enforcement action by some NCAs that should lead to an increased level of EU-wide supervisory convergence of the suitability requirements.</p>
July 20, 2018	ESMA	<p><u>ESMA Writes to European Commission on Share Cancellation Under MMFR</u> ESMA has written to the EC asking it to provide clarity to market participants and investors on the issue of the compatibility of the reverse distribution mechanism (RDM), or share cancellation, with the <i>Money Market Funds Regulation</i> (MMFR).</p>

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July 19, 2018	ESMA	<p><u>ESMA Consults on Revising CRAS' Periodic Reporting</u> ESMA has issued a consultation paper for revised guidelines on the information that is to be periodically reported to ESMA by credit rating agencies for supervisory purposes.</p>
July 18, 2018	ESMA	<p><u>ESMA Clarifies Endorsement Regime for Non-EU Credit Ratings</u> ESMA has published supplementary guidance on the application of the endorsement regime for non-EU credit ratings under the <i>Credit Rating Agencies Regulation</i> (CRAR). In order to ensure that third-country credit ratings, which are endorsed for use by EU investors, meet requirements which are at least as <i>stringent</i> as those set out in CRAR, ESMA adds a new section to its <i>Guidelines on Endorsement</i> first published in November 2017.</p>
July 17, 2018	ESMA	<p><u>ESMA Finalises Standards for the Implementation of the Prospectus Regulation</u> ESMA has issued regulatory technical standards (RTS) specifying the implementation of certain provisions in the <i>Prospectus Regulation</i> (PR). The RTS covers the following areas of PR provisions: i) key financial information to be disclosed by issuers for the prospectus summary; ii) data for classification of prospectuses and the practical arrangements to ensure that such data is machine readable; iii) advertisements disseminated to retail investors; iv) requirements to publish supplements to a prospectus; v) publication of a prospectus; and vi) arrangements for the notification portal used for passporting prospectuses.</p>
July 16, 2018	ESMA	<p><u>ESMA Defines Standards for the Implementation of the Securitisation Regulation</u> ESMA has issued a first set of technical standards under the <i>Securitisation Regulation</i> (SR) containing both draft regulatory and implementing standards (RTS/ITS). These technical standards contain detailed arrangements to implement the new European regulatory framework for securitizations, which is intended to promote simple, transparent and standardized (STS) securitizations.</p>
July 13, 2018	ESMA	<p><u>Prospectuses: ESMA Consults on Risk Factors and Exemptions for Takeovers, Mergers and Divisions</u> ESMA has launched two public consultations under the new <i>Prospectus Regulation</i> (PR). ESMA is seeking stakeholders' views on the proposed technical advice on exempt documents produced for the purpose of offers/admission of securities connected to a takeover, merger or division. In addition, ESMA is seeking stakeholders' views in relation to its proposed guidelines on risk factors.</p>
July 13, 2018	ESMA	<p><u>ESMA Consults on Tick Size Regime</u> ESMA has published a consultation paper proposing amendments to the tick size regime. It aims to address issues that have arisen with respect to financial instruments where only a marginal proportion of trading is executed on EU trading venues and the main pool of liquidity is located outside the EU (third country instruments).</p>
July 12, 2018	ESMA	<p><u>ESMA Sets Out Plan for Systematic Internaliser Regime Calculations and Publications</u> ESMA has published details of its action plan (within its updated Q&As on MiFID II and MiFIR transparency topics) for systematic internalizer (SI) regime calculations ahead of their publication on 1 August 2018. ESMA's action plan focuses on equity, equity-like instruments and bonds while postponing the publication for derivatives and other instruments to 1 February 2019.</p>
July 11, 2018	ESMA	<p><u>ESMA Consults on the Clearing Obligation Under EMIR</u> ESMA has published a consultation paper on the Clearing Obligation under EMIR. It deals with an amending draft RTS regarding the treatment of intragroup transactions with a third country group entity. ESMA's consultation seeks stakeholders' views on a proposed extension of the temporary intragroup exemption.</p>

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July 3, 2018	ESMA	<p><u>ESMA Issues Clarification on the Clearing Obligation for Pension Scheme Arrangements</u> ESMA has issued a statement on the clearing obligation for pension scheme arrangements (PSAs), with the objective to avoid, to the extent possible, disruption to certain PSAs who may face potential challenges clearing their OTC derivative contracts on 17 August 2018, when the current, and final, exemption from the clearing obligation under EMIR expires.</p>
July 5, 2018	EBA ESMA	<p><u>EBA and ESMA Publish Guidelines on Suitability Assessment for Management Body Members and Key Function Holders</u> EBA and ESMA have published their joint guidelines to assess the suitability of members of management bodies and key function holders.</p>
July 30, 2018	EIOPA	<p><u>EIOPA Publishes Discussion Paper on National Insurance Guarantee Schemes</u> EIOPA published its discussion paper on resolution funding and national insurance guarantee schemes as a follow-up to the EIOPA opinion on the harmonization of recovery and resolution frameworks for (re)insurers across the Member States published in 2017.</p>
July 17, 2018	EIOPA	<p><u>EIOPA Examines Causes of Insurers' Failures and Near Misses</u> EIOPA published a report, <i>Failures and Near Misses in Insurance: Overview of the Causes and Early Identification</i>, to enhance the understanding of the causes of insurers' failures and near misses. The focus is the examination of the causes of failure in insurance, as well as the assessment of the reported early identification signals.</p>
July 6, 2018	EIOPA	<p><u>EIOPA Seeks Evidence on the Use of Big Data</u> EIOPA launched an EU-wide thematic review on big data as a follow-up to the European Supervisory Authorities' cross-sectorial review of the use of big data published in March this year. The purpose is to gather empirical evidence on the use of big data by insurance undertakings and intermediaries along the whole insurance value chain, i.e. in pricing and underwriting, in product development, in claims management, as well as in sales and marketing. The review specifically focuses on the motor and health insurance markets.</p>
July 20, 2018	EBA EIOPA ESMA	<p><u>European Supervisory Authorities Publish Further Guidance on the Key Information Document for PRIIPs</u> The ESAs published further guidance on the Key Information Document (KID) requirements for Packaged Retail and Insurance-based Investment Products (PRIIPs). The guidance seeks to promote common supervisory approaches and practices based on ongoing work to monitor the implementation of the KID. It supplements material published last year prior to implementation. The guidance consists of: i) additional questions and answers (Q&A); and ii) updates to the flow diagrams for the risk and reward calculation (new calculation example for Category 3 PRIIPs stress performance scenario).</p>
July 23, 2018	IOSCO CPMI	<p><u>Jurisdictions Progress Towards Implementing Standards for Payment, Clearing and Settlement</u> IOSCO and CPMI published the <i>Fifth Update to Level 1 Assessment Report</i> of implementation monitoring of the <i>Principles for Financial Market Infrastructures</i> (PFMI). Level 1 is based on self-assessments by individual jurisdictions of how they have adopted measures for implementing the PFMI's 24 principles for financial market infrastructures (FMIs) and four of the five responsibilities for authorities.</p>

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July 4, 2018	IOSCO	<p><u>IOSCO Seeks Feedback on Proposed Good Practices for Commodities Storage and Delivery</u> IOSCO is requesting feedback on proposed good or sound practices to assist relevant storage infrastructures and their oversight bodies to identify and address issues that could affect commodity derivatives' pricing and in turn affect market integrity and efficiency. The report, <i>Commodity Storage and Delivery Infrastructures: Good or Sound Practices</i>, proposes the adoption of good or sound practices by all relevant storage infrastructures, their oversight bodies and financial regulators in IOSCO member jurisdictions, as appropriate to their role and activities.</p>
July 31, 2018	IAIS	<p><u>IAIS Nears the Final Stages in the Development of a Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) with Publication of a Consultation Package</u> IAIS has issued two major public consultation documents collectively addressing ComFrame in its entirety, with one focused on the qualitative components and the second on the risk-based global Insurance Capital Standard (ICS) Version 2.0. These represent a further key milestone in the development of ComFrame.</p>
July 2018	IAIS	<p><u>Issues Paper on Climate Change Risks to the Insurance Sector</u> This paper raises awareness for insurers and supervisory of the challenges presented by climate change, including current and contemplated supervisory approaches for addressing these risks. It provides an overview of how climate change is currently affecting and may affect the insurance sector now and in the future, provides examples of current material risks and impacts across underwriting and investment activities, and describes how these risks and impacts may be of relevance for the supervision and regulation of the sector.</p>

National Regulators

Date	Organization	Title & Abstract
July 16, 2018	OSFI	<p><u>OSFI Seeks Industry Input on the Domestic Implementation of Final Basel III Reforms</u> OSFI released a discussion paper titled <i>Implementation of the Final Basel III Reforms in Canada</i>. It sets out OSFI's preliminary views on the scope and timing of the domestic implementation of the final Basel III reforms.</p>
July 6, 2018	OSFI	<p><u>Changes to the Capital Adequacy Requirements (CAR) Guideline</u> OSFI is releasing for public consultation revisions to the CAR Guideline for implementation in Q1 2019. The main revisions are related to the domestic implementation of the standardized approach to counterparty credit risk (SA-CCR) and the revisions to the capital requirements for bank exposures to central counterparties (CCPs) as well as revisions to the securitization framework.</p>
July 25, 2018	Bank of England	<p><u>Bank Confirms SONIA's Compliance with IOSCO Benchmark Principles</u> The Bank has published its statement of compliance with the IOSCO <i>Principles for Financial Benchmarks</i>. This shows the Bank complies with the principles, and therefore with international best practice, in its administration of SONIA. The statement has been independently assured by Ernst and Young.</p>

Date	Organization	Title & Abstract
July 24, 2018	Bank of England	<p><u>Temporary Permissions and Recognition Regimes</u> HM Government has published a draft of the statutory instrument (SI) that will, subject to parliamentary approval, deliver a temporary permissions regime for EEA firms operating in the UK. HM Government has also laid in Parliament the separate draft SI that will, subject to parliamentary approval, deliver a temporary recognition regime for non-UK central counterparties (CCPs).</p>
July 20, 2018	Bank of England FCA PRA Payment Systems Regulator	<p><u>Payment Systems Memorandum of Understanding</u> The BoE, FCA, PRA and PSR have a Memorandum of Understanding that sets out the high-level framework the authorities use to cooperate with one another, in relation to payment systems in the UK. The <i>Financial Services (Banking Reform Act) 2013</i> requires the authorities to review this MoU annually. The authorities committed that this review would include feedback from regulated entities, and that a summary of the review's findings would be published.</p>
July 31, 2018	PRA	<p><u>Strengthening Accountability: Implementing the Extension of the SM&CR to Insurers - CP 18/18</u> This consultation paper sets out the PRA's proposed rules for a technical correction to the Solvency II firms: Insurance General Application Part of the PRA Rulebook, along with some consequential changes and minor administrative amendments related to the extension of the Senior Managers and Certification Regime (SM&CR or 'the regime') to insurers.</p>
July 27, 2018	PRA	<p><u>Credit Risk: The Definition of Default – CP 17/18</u> This consultation paper sets out the PRA's proposed approach to implementing the EBA's recent regulatory products relating to the definition of default in the <i>Capital Requirements Regulation (575/2013)</i> (CRR).</p>
July 26, 2018	PRA	<p><u>Solvency II: Monitoring Model Drift and Standard Formula SCR Reporting for Firms with an Approved Internal Model – SS 15/16</u> Following publication of PS 21/18 <i>Solvency II: Changes to Reporting Format</i>, this supervisory statement was updated to amend paragraph 3.6 to reflect that the PRA requests the information to be submitted fully in XBRL.</p>
July 26, 2018	PRA	<p><u>Solvency II: Changes to Reporting Format – PS 21/18</u> This policy statement provides feedback to responses to CP 11/18 <i>Solvency II: Changes to Reporting Format</i>. It also contains the PRA's final policy, as follows: i) amendments to the Reporting Part of the PRA Rulebook; ii) updated SS 25/15 <i>Solvency II: Regulatory Reporting, Internal Model Outputs</i>; iii) updated SS26/15 <i>Solvency II: ORSA and the Ultimate Time Horizon – Non-life Firms</i>; iv) updated SS7/17 <i>Solvency II: Data Collection of Market Risk Sensitivities</i>; and v) updated SS15/16 <i>Solvency II: Monitoring Model Drift and Standard Formula SCR Reporting for Firms with an Approved Internal Model</i>.</p>
July 26, 2018	PRA	<p><u>Solvency II: Regulatory Reporting Internal Model Outputs - SS 25/15</u> Following publication of PS 21/18 <i>Solvency II: Changes to Reporting Format</i>, this SS was updated to amend paragraph 2.1 to reflect that firms are expected to make submissions in XBRL format via the Bank of England's Electronic Data Submission (BEEDS) portal.</p>
July 26, 2018	PRA	<p><u>Solvency II: ORSA and the Ultimate Time Horizon – Non-Life Firms - SS 26/15</u> Following publication of PS 21/18 <i>Solvency II: Changes to Reporting Format</i>, this supervisory statement was updated to amend paragraph 1.7 (e) to reflect that firms are expected to submit information in XBRL format via Bank of England's Electronic Data Submission (BEEDS) portal.</p>

Date	Organization	Title & Abstract
July 26, 2018	PRA	<p><u>Solvency II: Data Collection of Market Risk Sensitivities - SS 7/17</u> Following publication of PS 21/18 <i>Solvency II: Changes to Reporting Format</i>, this supervisory statement was updated to amend paragraph 4.3 to reflect that firms are expected to submit in XBRL format via Bank of England's Electronic Data Submission (BEEDS) portal.</p>
July 23, 2018	PRA	<p><u>Regulatory Reporting: Occasional Consultation Paper - CP 16/18</u> The PRA sets out proposals for minor regulatory amendments as follows: i) discontinuation of Prudent Valuation Return PV001; ii) changes to PRA reporting instructions to align with updated EBA requirements (RFB001, PRA110, and PRA101 – PRA103); iii) amendments to Pillar 2 reporting templates and instructions to reflect their application to ring-fenced bodies (FSA071 – FSA082); iv) amendments to ring-fencing reporting requirements (RFB001, RFB003, RFB004); v) deletion of reporting requirements for dormant account fund operators; vi) alignment of 'data item' definitions in the PRA Rulebook; vii) update of the notification form relating to reporting on an Accounting Reference Date basis; and viii) correction of PRA110 rules.</p>
July 17, 2018	PRA	<p><u>Consultation Paper on Term SONIA Reference Rates</u> The Working Group on Sterling Risk-Free Reference Rates has launched a consultation on term SONIA reference rates (TSRRs). It seeks feedback on specific recommendations and encourages market participants to take forward work on the development of robust TSRRs, which members anticipate could be available in the second half of 2019.</p>
July 13, 2018	PRA	<p><u>Solvency II: Matching Adjustment - SS 7/18</u> This supervisory statement sets out the PRA's expectations of firms in respect of application of the matching adjustment (MA). The MA allows firms to adjust the relevant risk-free interest rate term structure for the calculation of a best estimate of a portfolio of eligible insurance obligations.</p>
July 13, 2018	PRA	<p><u>Solvency II: Changes to Internal Models Used by UK Insurance Firms - SS 12/16</u> This supervisory statement was updated following publication of PS 20/18 <i>Solvency II: Internal Models Update</i>. It was updated to reflect expectations of firms in respect to the model change process.</p>
July 13, 2018	PRA	<p><u>Solvency II: Internal Models – Modelling of the Matching Adjustment - PS 19/18</u> This policy statement provides feedback to responses to CP 24/17 <i>Solvency II: Internal Models - Modelling of the Matching Adjustment</i>. It also provides the final SS 8/18 of the same title and an updated version of SS 17/16 <i>Solvency II: Internal Models – Assessment, Model Change and the Role of Non-Executive Directors</i>.</p>
July 13, 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 PS 19/18 <i>Solvency II: Internal Models – Modelling of the Matching Adjustment</i> and PS 20/18 <i>Solvency II: Internal Models Update</i>. It was updated to reflect expectations of firms in respect to the model change process.</p>
July 13, 2018	PRA	<p><u>Solvency II: Matching Adjustment - PS 18/18</u> This policy statement provides feedback on responses to CP 21/17 <i>Solvency II: Matching Adjustment</i> and provides the final SS 7/18 <i>Solvency II: Matching Adjustment</i>, which sets out the PRA's expectations in respect of firms seeking to apply the matching adjustment (MA) to an eligible portfolio of assets and liabilities.</p>

Date	Organization	Title & Abstract
July 13, 2018	PRA	<p><u>Solvency II: Internal Models – Modelling of the Matching Adjustment - SS 18/8</u> This supervisory statement sets out the PRA’s expectations of firms regarding the application of the Solvency II matching adjustment (MA) within the calculation of the Solvency Capital Requirement (SCR).</p>
July 13, 2018	PRA	<p><u>Solvency II: Internal Models Update - PS 20/18</u> This policy statement provides feedback to responses to CP 27/17 <i>Solvency II: Internal Models Update</i> and the final updated expectations of firms in respect of the model change process set out in SS 12/16 <i>Solvency II: Changes to Internal Models Used by UK Insurance Firms</i> (Appendix 1), and internal model change policies set out in SS17/16 <i>Solvency II: Internal Models – Assessment, Model Change and the Role of Non-executive Directors</i> (Appendix 2).</p>
July 12, 2018	PRA	<p><u>Solvency II: Group Supervision - PS 17/18</u> This policy statement provides feedback on the responses to CP 38/16 <i>Solvency II: Group Supervision</i>, and the final SS 9/15 <i>Solvency II: Group Supervision</i>.</p>
July 12, 2018	PRA	<p><u>Solvency II: Group Supervision - SS 9/15</u> SS9/15 was updated following publication of PS 17/18 <i>Solvency II: Group Supervision</i>. It sets out the PRA’s expectations in respect of the Solvency II groups provisions.</p>
July 12, 2018	PRA	<p><u>Solvency II: Group Own Fund Availability - CP 15/18</u> The PRA sets out its proposed approach to the determination of the availability of group own funds and its expectations on firms in presenting relevant analysis to the PRA. The PRA sets out amendments to SS 9/15 <i>Solvency II: Group Supervision</i> to reflect the proposed approach in the Appendix.</p>
July 12, 2018	PRA	<p><u>Systemic Risk Buffers and Pillar 2A in Stress Test Hurdle Rates</u> In <i>Key Elements of the 2018 Stress Test</i> (March 2018), the Bank of England noted its intention to change the way hurdle rates are calculated in the annual stress test in four ways. This statement provides further specific details on two of these changes.</p>
July 6, 2018	PRA	<p><u>Changes in Insurance Reporting Requirements - PS 16/18</u> This policy statement provides feedback to responses to CP 2/18 <i>Changes in Insurance Reporting Requirements</i>. It also contains the PRA’s final policy, as follows: i) amendments to the Reporting Part of the PRA Rulebook; ii) SS 6/18 <i>National Specific Templates LOG Files</i>; iii) updated SS11/15 <i>Solvency II: Regulatory Reporting and Exemptions</i>; and iv) amendments to the Change in Control Part of the PRA Rulebook.</p>
July 6, 2018	PRA	<p><u>Solvency II: National Specific Templates LOG Files - SS 6/18</u> This supervisory statement sets out expectation of firms when completing their submission of National Specific Templates (NSTs).</p>
July 6, 2018	PRA	<p><u>Solvency II: Regulatory Reporting and Exemptions</u> Following publication of PS 16/18, <i>Changes in Insurance Reporting Requirements</i>, this supervisory statement was updated to include the following paragraphs: 3.6(A) and 3.6(B) relating to the timing when resuming reporting. The PRA clarified that should a waiver be revoked by the PRA, the PRA expects that firms will resume reporting within six months from the initial notification, unless there are specific circumstances where such a delay would not be appropriate. Should a waiver expire and not be reviewed by the firm to the PRA reporting should resume at the next scheduled reporting date.</p>

Date	Organization	Title & Abstract
July 5, 2018	PRA FCA Bank of England	<u>Building the UK Financial Sector's Operational Resilience</u> This discussion paper shares supervisory authorities' thinking regarding operational resilience and obtain feedback.
July 4, 2018	PRA	<u>Strengthening Individual Accountability in Insurance: Extension of the SM&CR to Insurers - PS 15/18</u> This policy statement provides feedback to responses to CP 14/17 <i>Strengthening Individual Accountability in Insurance: Extension of the Senior Managers and Certification Regime to Insurers</i> and CP 28/17 <i>Strengthening Individual Accountability: Implementing the Extension of the SM&CR to Insurers and Other Amendments</i> . It also provides: i) final rules for the extension of the Senior Managers and Certification Regime (SM&CR) to insurers by amending the Senior Insurance Managers Regime (SIMR); ii) updated SS 35/15 <i>Strengthening Individual Accountability in Insurance</i> , and terminology updates to other existing SSs; iii) consolidated <i>Statement of Policy Conditions, Time Limits, and Variations of Approval</i> ; and streamlined set of forms for the SM&CR, and amendments to Part 4A permissions forms.
July 4, 2018	PRA	<u>Strengthening Individual Accountability in Insurance - SS 35/15</u> SS 35/15 was updated alongside the publication of PS 15/18 <i>Strengthening Individual Accountability in Insurance: Extension of the Senior Managers and Certification Regime to Insurers</i> .
July 4, 2018	PRA	<u>Whistleblowing in Deposit-takers, PRA-designated Investment Firms and Insurers</u> This supervisory statement has been updated to reflect changes in terminology as a result of the publication of PS 15/18 <i>Strengthening Individual Accountability in Insurance: Extension of the Senior Managers and Certification Regime to Insurers</i> .
July 4, 2018	PRA	<u>Conditions, Time Limits and Variations</u> This statement of policy was updated alongside the publication of PS 15/18 <i>Strengthening Individual Accountability in Insurance: Extension of the Senior Managers and Certification Regime to Insurers</i> .
July 4, 2018	PRA	<u>Corporate Governance: Board Responsibilities - SS 5/16</u> This supervisory statement has been updated to reflect changes in terminology as a result of the publication of PS 15/18 <i>Strengthening Individual Accountability in Insurance: Extension of the Senior Managers and Certification Regime to Insurers</i> .
July 4, 2018	PRA	<u>Solvency II: Remuneration Requirements - SS 10/16</u> This supervisory statement has been updated to reflect changes in terminology as a result of the publication of PS 15/18 <i>Strengthening Individual Accountability in Insurance: Extension of the Senior Managers and Certification Regime to Insurers</i> .
July 4, 2018	PRA	<u>Strengthening Individual Accountability in Banking - SS 28/15</u> This supervisory statement has been updated to reflect changes in terminology as a result of the publication of PS 15/18 <i>Strengthening Individual Accountability in Insurance: Extension of the Senior Managers and Certification Regime to Insurers</i> .
July 4, 2018	PRA	<u>Solvency II: Matching Adjustment – Illiquid Unrated Assets and Equity Release Mortgages</u> This supervisory statement has been updated to reflect changes in terminology as a result of the publication of PS 15/18 <i>Strengthening Individual Accountability in Insurance: Extension of the Senior Managers and Certification Regime to Insurers</i> .

Date	Organization	Title & Abstract
July 3, 2018	PRA	<p><u>UK Leverage Ratio: Applying the Framework to Systemic Ring-Fenced Bodies and Reflecting the Systemic Risk Buffer - CP 14/18</u></p> <p>In this consultation paper the PRA proposes to apply the systemic risk buffer (SRB) framework in the UK leverage ratio framework. This includes a proposal to apply leverage ratio requirements on a sub-consolidated basis to those ring-fenced bodies (RFBs) whose groups are already required to meet leverage ratio requirements on a consolidated basis – hereafter ‘RFBs in scope’.</p>
July 2, 2018	PRA	<p><u>Solvency II: Equity Release Mortgages</u></p> <p>This consultation paper sets out further proposed detail on the PRA’s expectations in respect of firms investing in equity release mortgage (ERMs) portfolios, as set out in Chapter 3 of SS 3/17.</p>
July 27, 2018	FCA	<p><u>FCA Proposes Changes to Rules for Crowdfunding Platforms</u></p> <p>Following a post-implementation review of its crowdfunding rules, the FCA is opening a consultation on new rules for loan-based crowdfunding platforms. The changes are designed to address the ways in which the loan-based crowdfunding model has developed since the FCA last reviewed the sector in December 2016.</p>
July 25, 2018	FCA	<p><u>Update on Temporary Permissions Regime</u></p> <p>On 24 July 2018 the Government published the draft Statutory Instrument that will form the legislative basis of the temporary permissions regime for inbound passporting EEA firms and funds. At the same time we have provided an update setting out more detail on how the regime will operate including our initial views on the FCA rules we propose will apply to firms while they are in the regime.</p>
July 4, 2018	FCA	<p><u>FCA Clarifies Fairer Treatment of Regular Premium PPI Complaints</u></p> <p>The FCA has issued a consultation paper on new guidance about the handling of certain regular premium payment protection insurance (PPI) complaints. The proposed guidance clarifies FCA expectations.</p>
June 28, 2018	FCA	<p><u>FCA Acts to Protect Consumers’ Pension Pots</u></p> <p>The FCA has launched a consultation on a package of measures designed to protect consumers, improve engagement and promote competition in the retirement income market.</p>
June 27, 2018	FCA	<p><u>FCA Publishes Update on Wide-Ranging Review of Retail Banking Sector</u></p> <p>The FCA has published an update on its <i>Strategic Review of Retail Banking Business Models</i> to give the FCA a greater understanding of retail banks’ business models, and how these may change in the future. This includes looking at how personal current accounts (PCAs) are paid for, the possible impact of technological and regulatory developments such as Open Banking and changes to payment services due to the revised <i>Payment Services Directive</i> (PSD2). It sets out the progress made on the analysis of the issues and planned next steps.</p>
June 27, 2018	FCA	<p><u>The FCA’s Role in Preparing for Brexit</u></p> <p>This statement provides stakeholders with an update on how the FCA is preparing for the UK leaving the EU.</p>

Date	Organization	Title & Abstract
July 2018	Central Bank of Ireland	<p><u>Behaviour and Culture of the Irish Retail Banks</u> The Central Bank has undertaken behaviour and culture reviews at the five main Irish retail banks. The reviews focused primarily on the executive leadership team due to the importance of its members in driving effective cultures in which customer interests are adequately identified, discussed and taken into account. More specifically, the reviews analyzed: i) the leadership behaviour of the executive committee, including the drivers of this behaviour in terms of group dynamics and mindset; and ii) the interplay between the executive committee and relevant internal stakeholders in the context of strategic decision-making.</p>
July 16, 2018	BaFin	<p><u>Big Data Meets Artificial Intelligence</u> BaFin has issued the study <i>Big Data Meets Artificial Intelligence – Challenges and Implications for the Supervision and Regulation of Financial Services</i> and started consultations.</p>
July 5, 2018	Hong Kong Securities and Futures Commission	<p><u>SFC Consults on Amendments to Anti-Money Laundering and Counter-Terrorist Financing Guidelines</u> The SFC launched a consultation on proposals to amend the <i>Guideline on Anti-Money Laundering and Counter-Terrorist Financing</i> to keep it in line with international anti-money laundering and counter-financing of terrorism (AML/CFT) standards and make it more useful and relevant. The proposed amendments expand the types of politically exposed persons to include customers who have been entrusted with a prominent function by an international organization.</p>
July 25, 2018	HKMA	<p><u>Consultation Conclusion on Rules Prescribing Loss-Absorbing Capacity Requirements for Authorized Institutions</u> The HKMA released the consultation conclusion on the public consultation relating to rules prescribing loss-absorbing capacity requirements for authorized institutions proposed to be made as subsidiary legislation under section 19(1) of the <i>Financial Institutions (Resolution) Ordinance</i>.</p>
July 3, 2018	HKMA	<p><u>Supervisory Policy Manual (SPM): Revised Module CR-G-13 “Counterparty Credit Risk Management”</u> The HKMA is issuing a revised version of this module as a guidance note to incorporate the relevant international standards and guidelines issued by the BCBS and the FSB.</p>
July 2, 2018	APRA	<p><u>APRA Consults on Proposed Changes to Related Parties Frameworks for ADIs</u> APRA has proposed changes to requirements for authorized deposit-taking institutions (ADIs) in managing risks from associations with related parties. In a discussion paper released for consultation, APRA outlined revisions to <i>Prudential Standard APS 222 Associations with Related Entities</i>, and the associated reporting standard, <i>ARS 222.0 Exposures to Related Entities</i>. The prospective changes seek to update and, where possible, streamline longstanding requirements and ensure APS 222 aligns with last year’s changes to <i>Prudential Standard APS 221 Large Exposures</i> (for exposures to unrelated parties of an ADI) and the changed operating environment.</p>
July 2018	APRA	<p><u>Financial Requirements, Operational Risk and Outsourcing</u> APRA short paper discusses prudential and reporting standards for operational risk financing requirements, outsourcing, and business continuity management.</p>
July 2018	APRA	<p><u>Investments</u> APRA short paper discusses SPS 530, <i>Prudential Standard on Investment Governance</i> (SPS 530) and its related guidance material.</p>

Date	Organization	Title & Abstract
July 2018	APRA	<p><u>Insurance in Superannuation</u> APRA short paper discusses SPS 250, <i>Insurance in Superannuation</i>, and related guidance material, as well as <i>Reporting Standard SRS 161.0 Self-Insurance</i> and <i>Reporting Standard SRS 250.0 Acquired Insurance</i>.</p>
July 2018	APRA	<p><u>Member Flows and Products</u> APRA short paper discusses SPS 160, <i>Defined Benefit Matters</i>, SPS 410, <i>MySuper Transition</i>, SPS 450, <i>Eligible Rollover Fund</i> and related reporting standards.</p>
July 2018	Monetary Authority of Singapore	<p><u>Proposed Regulations to Enhance the Resolution Regime for Financial Institutions in Singapore</u> MAS is consulting on amendments to the <i>Monetary Authority of Singapore (Control and Resolution of Financial Institutions) Regulations 2013</i>, and introduction of new regulations issued under the <i>Deposit Insurance and Policy Owners' Protection Schemes Act</i>, which are necessary to support the amendments in the <i>MAS (A) Act</i>.</p>
July 2018	Monetary Authority of Singapore	<p><u>Public Consultation on Revisions to Misconduct Reporting Requirements and Proposals to Mandate Reference Checks for Representatives</u> This consultation paper is divided into two parts. Part A proposes revisions to the scope of entities and the requirements on reporting of misconduct by representatives and discusses MAS' proposals to enhance financial institutions' investigation processes. Part B sets out the proposed requirements for financial institutions to conduct and respond to reference checks on representatives.</p>
June 29, 2018	Federal Reserve Board FCIC	<p><u>Agencies Seek Comment on Proposed 2019 Resolution Plan Guidance</u> The Board and the FDIC are inviting comments on proposed guidance for the 2019 and subsequent resolution plan submissions by the eight largest, complex U.S. banking organizations ("Covered Companies" or "firms"). The proposed guidance is meant to assist these firms in developing their resolution plans.</p>
July 24, 2018	SEC	<p><u>SEC Proposes Rules to Simplify and Streamline Disclosures in Certain Registered Debt Offerings</u> The SEC voted to propose rule amendments to simplify and streamline the financial disclosure requirements applicable to registered debt offerings for guarantors and issuers of guaranteed securities, as well as for affiliates whose securities collateralize a registrant's securities.</p>
July 18, 2018	SEC	<p><u>SEC Adopts Final Rules and Solicits Public Comment on Ways to Modernize Offerings Pursuant to Compensatory Arrangements</u> The SEC issued final rules to amend <i>Securities Act Rule 701</i>, which provides an exemption from registration for securities issued by non-reporting companies pursuant to compensatory arrangements. As mandated by the <i>Economic Growth, Regulatory Relief, and Consumer Protection Act</i>, the amendment increases from \$5 million to \$10 million the threshold in excess of which the issuer is required to deliver additional disclosures to investors.</p>
July 18, 2018	SEC	<p><u>SEC Adopts Rules to Enhance Transparency and Oversight of Alternative Trading Systems</u> The SEC announced it has voted to adopt amendments to Regulation ATS to enhance operational transparency and regulatory oversight of alternative trading systems (ATs) that trade stocks listed on a national securities exchange.</p>
June 28, 2018	SEC	<p><u>SEC and CFTC Announce Approval of New MOU</u> The SEC and the CFTC announced that the two agencies have approved a Memorandum of Understanding that will help ensure continued coordination and information sharing between the two agencies.</p>

Date	Organization	Title & Abstract
June 28, 2018	SEC	<p><u>SEC Adopts Targeted Changes to Public Liquidity Risk Management Disclosure</u> The SEC adopted amendments to public liquidity-related disclosure requirements for certain open-end funds. Under the amendments, funds would discuss in their annual or semi-annual shareholder report the operation and effectiveness of their liquidity risk management programs. This requirement replaces a pending requirement that funds publicly provide a quantitative end-of-period snapshot of historic aggregate liquidity classification data for their portfolios on Form N-PORT.</p>
July 24, 2018	CFTC	<p><u>CFTC Proposes Rule Update for U.S. Markets in Security Futures Products</u> The CFTC unanimously approved a proposal to update a rule impacting exchanges that list security futures products (SFPs). The proposal has the potential to provide greater liquidity in SFP trading, which would facilitate risk management for entities using SFPs.</p>
July 24, 2018	CFTC	<p><u>CFTC Issues Proposal to Streamline Regulation for Swap Dealers, Help End Users</u> The CFTC issued a proposal approved unanimously by the Commission to reduce unnecessary burdens on registrants and market participants by simplifying overly complex notification provisions, thereby reducing certain intricate and prescriptive requirements that have been found to provide little or no benefit.</p>

International Organizations

Date	Organization	Title & Abstract
July 2018	BIS/FSI	<p><u>Innovative Technology in Financial Supervision (Suptech) – the Experience of Early Users</u></p> <p>The experience of early users suggests that suptech can enhance supervisory effectiveness, reduce costs and improve capabilities. However, supervisory agencies face some challenges in developing or using suptech application, among these: increased operational risks (cyber risk, data quality, and finding the right talent), computational capacity constraints, management support and buy-in from supervision units. This paper outlines the experiences of early users and highlights specific considerations to develop a suptech strategy for supervisory agencies to take advantage of these developments.</p>
June 2018	IMF	<p><u>Cyber Risk for the Financial Sector: A Framework for Quantitative Assessment</u></p> <p>This paper presents a novel documentation of cyber risk around the world for financial institutions by analyzing the different types of cyber incidents (data breaches, fraud and business disruption) and identifying patterns using a variety of datasets. The other novel contribution that is outlined is a quantitative framework to assess cyber risk for the financial sector. The framework draws on a standard VaR type framework used to assess various types of stability risk and can be easily applied at the individual country level. The framework is applied in this paper to the available cross-country data and yields illustrative aggregated losses for the financial sector in the sample across a variety of scenarios ranging from 10 to 30 percent of net income.</p>
June 2018	International Labour Organization	<p><u>Providing Insurance Responsibly</u></p> <p>This paper explores the seven principles of responsible insurance that can guide insurance providers to make the changes needed to become more responsible. If applied to the five stages of the value chain, they can bring substantial long-term benefits not only to clients, but also to providers.</p>

Industry

Date	Organization	Title & Abstract
July 2018	Geneva Association	<p><u>Annuitisation: Retirement Income That Lasts a Lifetime</u></p> <p>This paper presents a case study of Pillar II occupational pension plans in three countries—the U.S., the U.K. and Switzerland. Of these three countries, Switzerland clearly has the best system with automatic enrollment into occupational pension plans, automatic escalation of contributions as the employee grows older, and automatic annuitization. The employee may have the ability to opt out under certain conditions, but behavioural economists teach us that opt-out plans are much more effective than opt-in plans, and Switzerland obviously took this into account when designing its regulations for Pillar II benefits.</p>

Date	Organization	Title & Abstract
July 6, 2018	IIF	<p>Safeguarding Customer Data in the Financial Sector This paper describes the specific principles, additional processes and measures that banks pursue to keep customers' data safe. These are underpinned by a combination of regulation (including prudential and data regulations, as well as the likes of card schemes standards); active supervision, driving a risk-conscious culture; and the fundamental value of preserving customers' trust.</p>

Other

Date	Organization	Title & Abstract
July 2018	Center for Financial Inclusion	<p>Responsible Digital Credit: What Does Responsible Digital Credit Look Like? This publication outlines the digital credit landscape and the risks customers face, and examines the best practices, standards and initiatives that exist or should be implemented to improve consumer protection in digital lending. The study offers three main activities as key to the future of what responsible digital credit looks like: i) industry self-regulation; ii) certification of digital credit providers; and iii) directly empowering consumers.</p>
May 2018	Center for Financial Inclusion	<p>Financial Inclusion Hype vs. Reality: Deconstructing the 2017 Findex Results This report spotlights key financial inclusion indicators, including account usage, borrowing, saving and resilience, among others, and takes an in-depth look at six countries that help to tell the story of financial inclusion progress around the world. The report finds that, after correcting for account dormancy in developing countries, growth has slowed, the access-usage gap is widening, credit is flat and savings is declining. A bright spot, however, is the proliferation in the use of digital payments.</p>