

Toronto Centre Publications Monitoring Report

April 2020

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 2020	Toronto Centre	<u>Supervising Corporate Governance During Crises</u> Toronto Centre Note sets out the main issues that boards and senior management of supervised firms need to address as a result of the COVID-19 outbreak. The broad conclusion is that sound corporate governance is more essential than ever.
April 2020	Toronto Centre	<u>Supervisory Responses to the Impact of COVID-19 on Credit Quality</u> Toronto Centre Note discusses some of the immediate and medium-term options for banking supervisors in response to the COVID-19 outbreak. It covers the application of accounting standards, the calculation of regulatory capital, and some practical advice for the actions that supervisors should be taking. One key message to supervisors is that they should ensure that banks are judicious in the use they make of the flexibility offered by accounting standards.
April 2020	Toronto Centre	<u>Business Continuity Planning for a Supervisory Authority</u> Toronto Centre Note outlines the key elements of a Business Continuity Plan (BCP) and relates these to the specific circumstances of a supervisory authority. It provides a starting point for a supervisory authority wanting to construct a BCP, or to review and revisit its existing BCP.

Date	Organization	Title & Abstract
April 2020	Toronto Centre	<p><u>Ten Issues for Supervisors During Crises</u> Toronto Centre Note sets out the main issues that supervisors need to consider in a crisis and offers suggestions for how these might be addressed, both generally and in the current crisis. Most supervisory authorities will already be doing much of this in response to the COVID-19 outbreak. The Note aims to provide a reference point that can be used when taking stock of whether supervisory authorities are doing all the right things, whether they need to do more, or to do some things differently.</p>

TC Webinars

Date	Organization	Title & Abstract
April 2020	Toronto Centre	<p><u>Pandemics and Financial Inclusion</u> Toronto Centre webinars provide insights on how financial supervisors and regulators can help to mitigate the impact of COVID-19 and its impact on the global financial system.</p>
April 2020	Toronto Centre	<p><u>Pandemics and Financial Stability</u> Toronto Centre webinars to help financial supervisors and regulators gain insights and perspectives on COVID-19 and its impact on the global financial system.</p>

Standard Setting Bodies

Date	Organization	Title & Abstract
April 20, 2020	FSB	<p><u>FSB Consults on Effective Practices for Cyber Incident Response and Recovery</u> The FSB published a consultation report on <i>Effective Practices for Cyber Incident Response and Recovery</i>, which was sent to G20 finance ministers and central bank governors for their virtual meeting on 15 April. The toolkit of effective practices aims to assist financial institutions in their cyber incident response and recovery activities.</p>
April 15, 2020	FSB	<p><u>FSB Publishes Report on International Cooperation to Address the Financial Stability Implications of COVID-19</u> The FSB published a report delivered to the G20 on international cooperation and coordination to address the financial stability implications from COVID-19.</p>
April 14, 2020	FSB	<p><u>FSB Consults on Regulatory, Supervisory and Oversight Recommendations for “Global Stablecoin” Arrangements</u> The FSB published for consultation 10 high-level recommendations to address the regulatory, supervisory and oversight challenges raised by “global stablecoin” arrangements.</p>

Date	Organization	Title & Abstract
April 9, 2020	FSB	<p><u>FSB Reports on its Work to Develop a Roadmap to Enhance Global Cross-border Payments</u> The FSB published the Stage 1 report of its project to develop a roadmap to enhance cross-border payments. This report, which is being delivered to the G20, provides an assessment of existing arrangements and challenges for global cross-border payments.</p>
April 30, 2020	BCBS	<p><u>Climate-related Financial Risks: A Survey on Current Initiatives</u> This report summarizes the main results of a stocktake conducted by the Basel Committee of its members' initiatives on climate-related financial risks.</p>
April 29, 2020	BCBS	<p><u>Progress in Adopting the Principles for Effective Risk Data Aggregation and Risk Reporting</u> The BCBS published its latest progress report on banks' implementation of the <i>Principles for Effective Risk Data Aggregation and Reporting</i>. Issued in January 2013, the Principles aim to strengthen banks' risk data aggregation and risk reporting with a view to improving their risk management, decision-making processes and resolvability.</p>
April 8, 2020	BCBS	<p><u>Basel III Monitoring Results Based on End-June 2019 Data Published by the Basel Committee</u> The BCBS published the results of its latest Basel III monitoring exercise, based on data as of 30 June 2019. The report sets out the impact of the Basel III framework that was initially agreed in 2010 as well as the effects of the Committee's December 2017 finalization of the Basel III reforms and the finalization of the market risk framework published in January 2019.</p>
April 20, 2020	EBA	<p><u>EBA Updates Its List of Risk Indicators, IMF-FSI Mapping and Respective Guides</u> The EBA published an updated guide on how to report the IMF Financial Soundness Indicators (FSIs) and a revised methodological guide on how to compile risk indicators and detailed risk analysis tools.</p>
April 2, 2020	ESMA	<p><u>ESMA Publishes 2019 Report on Enforcement of Corporate Disclosure</u> ESMA published its Annual Report on enforcement and regulatory activities related to corporate reporting within the European Economic Area (EEA).</p>
April 23, 2020	EBA EIOPA ESMA	<p><u>ESAs Consult on Environmental, Social and Governance Disclosure Rules</u> The three European Supervisory Authorities have issued a Consultation Paper seeking input on proposed environmental, social and governance (ESG) disclosure standards for financial market participants, advisers and products. These standards aim to: i) strengthen protection for end-investors; ii) improve the disclosures to investors from a broad range of financial market participants and financial advisers; and iii) improve the disclosures to investors regarding financial products.</p>
April 14, 2020	CPMI World Bank	<p><u>Payment Aspects of Financial Inclusion in the Fintech Era</u> The report connects FinTech innovation with financial inclusion, providing a framework for incorporating and leveraging technological opportunities to promote access and use of transaction accounts while also addressing potential challenges.</p>
April 15, 2020	IOSCO	<p><u>IOSCO Report Provides New Data on Global Hedge Fund Industry</u> IOSCO published its <i>Report on the Fifth IOSCO Hedge Fund Survey</i>, which provides regulators new insights into the global hedge fund industry and the potential systemic risks this industry may pose to the international financial system.</p>

Date	Organization	Title & Abstract
April 14, 2020	IOSCO	<u>Sustainable Finance and the Role of Securities Regulators and IOSCO</u> The report highlights three recurring themes that involve multiple and diverse sustainability frameworks and standards, including sustainability-related disclosure, a lack of common definitions of sustainable activities, and greenwashing and other challenges to investor protection.

National Regulators

Date	Organization	Title & Abstract
April 30, 2020	PRA	<u>Solvency II: Group Supervision – SS 9/15</u> This supervisory statement sets out the PRA's expectations in respect of the Solvency II groups provisions.
April 9, 2020	PRA	<u>Prudential Regulation Authority Business Plan 2020/21</u> The PRA Business Plan sets out the PRA's strategy, workplan, and budget for 2020/21.
April 7, 2020	FCA	<u>FCA Sets Out Priorities for 2020/21</u> The FCA has set out its business priorities for the year ahead, with specific focus on the challenges presented by the coronavirus (Covid-19) pandemic.
April 8, 2020	SFC Hong Kong HKEX FSR	<u>Joint Consultation Conclusions on the Model for an Uncertificated Securities Market</u> The Securities and Futures Commission (SFC), Hong Kong Exchanges and Clearing Limited (HKEX) and the Federation of Share Registrars Limited (FSR) jointly released consultation conclusions on a proposed operational model for implementing an uncertificated securities market (USM) in Hong Kong.
April 24, 2020	HKMA	<u>Gazettal of Revised Capital Rules Under Banking Ordinance</u> The <i>Banking (Capital) (Amendment) Rules 2020</i> (BCAR 2020) were gazetted to implement the latest international standards on banking regulation promulgated by the BCBS.

International Organizations

Date	Organization	Title & Abstract
April 2020	BIS	<u>Computing Platforms for Big Data Analytics and Artificial Intelligence</u> This report presents the main big data/HPC (high-performance computing) technologies and platforms currently considered or already implemented by public authorities such as central banks. It also gives insights on how to deal with the related challenges and get the most from the opportunities provided by these new infrastructures to support policymaking.

Date	Organization	Title & Abstract
April 2020	BIS FSI	<p><u>Covid-19 and Operational Resilience: Addressing Financial Institutions' Operational Challenges in a Pandemic</u></p> <p>Guidance issued by financial sector authorities in response to the Covid-19 crisis seems to suggest that international efforts to come up with operational resilience standards should take into account at least the following elements: i) critical/essential employees; ii) IT infrastructure; iii) third-party service providers; and iv) cyber resilience.</p>
April 2020	BIS FSI	<p><u>ICS - Life Insurance Risk Charge - Executive Summary</u></p> <p>The Insurance Capital Standard (ICS) is a consolidated group-wide capital standard that applies to internationally active insurance groups (IAIGs). During the monitoring period from 2020 to 2024, IAIGs are expected to report their ICS solvency ratio, which is calculated as qualifying capital resources divided by the standard method ICS capital requirement. A component of the standard method ICS capital requirement is the life insurance risk charge.</p>
April 2020	BIS FSI	<p><u>ICS – Overview – Executive Summary</u></p> <p>The Insurance Capital Standard (ICS) is a consolidated group-wide capital standard that applies to internationally active insurance groups (IAIGs). The ICS is part of the broader Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame). ComFrame and the ICS are part of a package of reforms completed by the IAIS in response to the Great Financial Crisis of 2007-09.</p>
April 2020	BIS FSI	<p><u>Insurance Regulatory Measures in Response to Covid-19</u></p> <p>This note provides a non-exhaustive summary of regulatory measures that insurance authorities have taken to achieve four objectives: i) preserve capital adequacy of insurers; ii) mitigate excessive procyclical investment behaviour by insurers; iii) provide temporary relief from nonessential regulatory and supervisory requirements; and iv) preserve the continuity of insurance coverage.</p>
April 2020	BIS FSI	<p><u>Public Guarantees for Bank Lending in Response to the Covid-19 Pandemic</u></p> <p>The adverse economic impact of the Covid-19 pandemic is acute and risks worsening. In order to provide liquidity to the economy, governments in several jurisdictions are offering guarantees on bank loans to non-financial companies. These are expected to encourage banks to continue providing credit, and to prevent an even deeper recession.</p>
March 2020	CGAP	<p><u>COVID-19: How Does Microfinance Weather the Coming Storm?</u></p> <p>CGAP commentary on possible impacts of COVID-19 on developing countries.</p>
April 14, 2020	CPMI	<p><u>How Fintech Can Promote Financial Inclusion - A New Report on the Opportunities and Challenges</u></p> <p>The report, <i>Payment Aspects of Financial Inclusion in the Fintech Era</i>, connects FinTech innovation with financial inclusion, providing a framework for incorporating and leveraging technological opportunities to promote access and use of transaction accounts, while also addressing potential challenges.</p>
April 8, 2020	CPMI IOSCO	<p><u>Jurisdictions Move Towards Full Implementation of Standards for Financial Market Infrastructures</u></p> <p>The CPMI and IOSCO released an update showing that 25 of the 28 jurisdictions participating in the implementation monitoring program have adopted measures implementing the international standards for all types of financial market infrastructures (FMIs).</p>

Date	Organization	Title & Abstract
April 2020	FinDev Gateway	<p><u>Payment Aspects of Financial Inclusion in the Fintech Era</u> The report sets out fintech-focused key actions, and places them in the context of the overall PAFI guidance, which was formulated in a technology-neutral and holistic way, and continues to be relevant in the era of fintech.</p>
April 2020	FinDev Gateway	<p><u>Urgent: A Rescue Plan for the Microfinance Sector</u> A proposal for key principles and structures to help MFIs and their clients survive the pandemic-induced economic crisis.</p>

Other

Date	Organization	Title & Abstract
December 2019	ASBA	<p><u>Global FinTech Regulation and Supervision Practices</u> ASBA reviewed the current regulatory and supervisory practices of financial authorities. A total of 56 jurisdictions on all five continents were examined, including 11 within the ASBA membership. The document covers: i) specific FinTech regulations, authorities' roles in promoting FinTech developments, and prohibitions; ii) practices regarding specific Fintech products; and iii) practices regarding technologies that enable many Fintech products.</p>