

Toronto Centre Publications Monitoring Report

April 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 Notes

Date	Organization	Title & Abstract
April 15, 2021	Toronto Centre	Operational Resilience: The Next Frontier for Supervisors? Toronto Centre Note: i) outlines the definition of operational resilience; ii) explains why operational resilience is important for supervisors; iii) describes how some supervisors are beginning to take a more overarching approach to operational resilience; iv) shows how supervisors can assess a financial institution's operational resilience as part of their supervision; and v) discusses how operational resilience fits within a risk-based supervisory approach.

TC Podcasts/Webcasts/Videos/Other

Date	Organization	Title & Abstract
April 2021	Toronto Centre	Coming Out of the Pandemic: Regulatory Expectations of Supervised Banks This podcast reviews the importance of “sticking to the basics” of effective financial sector supervision.

Date	Organization	Title & Abstract
April 2021	Toronto Centre	<u>FinTech, Financial Inclusion, and Cyber Risk: Tackling the Post COVID-19 Challenges</u> Proceedings of a roundtable of central bank governors and heads of supervisory authorities from developing and developed countries. The discussion focused on how supervisors and regulators can maximize the benefits and minimize the risks of FinTech, in particular with respect to financial inclusion. Participants also discussed how to increase access to financial services for the poor and vulnerable, especially women, during and beyond the COVID-19 pandemic.
April 2021	Toronto Centre	<u>Integrating Microprudential Supervision with Macroprudential Policy</u> This podcast discusses the TC Note <i>Integrating Microprudential Supervision with Macroprudential Policy</i> . It explains the reasons supervisory authorities should adopt a macroprudential approach and why the traditional approach to microprudential supervision has been ineffective in preventing financial crises.
April 2021	Toronto Centre	<u>Transitioning to a Green Economy: Financial Stability Implications</u> Virtual executive panel featuring Mark Carney and Sri Mulyani Indrawati discusses the impact of climate change and the risk of crises to global financial stability.

Standard Setting Bodies

Date	Organization	Title & Abstract
April 16, 2021	BCBS	<u>Basel Committee Publishes Work Programme and Strategic Priorities for 2021-22</u> The work program sets out the strategic priorities for the Committee over the coming year and reflects the outcome of a recent strategic review by the Committee to ensure that it continues to effectively promote global financial stability and strengthen the regulation, supervision and risk management practices of banks worldwide.
April 14, 2021	BCBS	<u>Basel Committee Publishes Analytical Reports on Climate-related Financial Risks</u> The BCBS published two analytical reports: <i>Climate-related Risk Drivers and Their Transmission Channels</i> and <i>Climate-related Financial Risks – Measurement Methodologies</i> . Both reports leverage extensive reviews of existing literature, including publications by scientists, academics, central banks, supervisory authorities, discussions with large banks, and the work of other international forums.
April 6, 2021	FSB	<u>COVID-19 Support Measures: Extending, Amending and Ending</u> The report discusses the extent to which measures have been unwound so far and the matters to which policymakers should have regard when considering whether to extend, amend or end their economic and financial support measures. Its purpose is to assist G20 members and other policymakers by providing a benchmark and drawing attention to practices in FSB member jurisdictions.
April 28, 2021	EBA	<u>EBA Launches Public Consultation to Enhance Proportionality in Liquidity Reporting</u> The EBA launched a public consultation on its draft Implementing Technical Standards (ITS) on supervisory reporting with respect to Additional Liquidity Monitoring Metrics (ALMM). The EBA is proposing to introduce some proportionality considerations in ALMM reporting for small and non-complex institutions.

Date	Organization	Title & Abstract
April 28, 2021	EBA	<p><u>EBA Consults on Draft Guidelines on the Delineation and Reporting of Available Financial Means of Deposit Guarantee Schemes</u></p> <p>The EBA launched a public consultation on its draft guidelines on the delineation and reporting of available financial means (AFM) of Deposit Guarantee Schemes (DGSs). The purpose of the guidelines is to ensure that only funds that credit institutions contributed, or that stem indirectly from such contributions such as recoveries or investment income, will count towards reaching the target level of the DGS fund. Conversely, funds that stem directly or indirectly from borrowed resources should not count towards the target level.</p>
April 15, 2021	EBA	<p><u>EBA Published Final Draft Technical Standards Specifying the Methods of Prudential Consolidation</u></p> <p>The EBA published its final draft Regulatory Technical Standards (RTS) specifying the conditions according to which consolidation shall be carried out in line with Article 18 of the <i>Capital Requirements Regulation</i> (CRR). The aim of these draft RTS is to ensure that the appropriate method of prudential consolidation is applied for the calculation of the CRR requirements on a consolidated basis.</p>
April 15, 2021	EBA	<p><u>EBA Updates List of Other Systemically Important Institutions</u></p> <p>The EBA updated the list of Other Systemically Important Institutions (O-SIIs) in the EU, which, together with Global Systemically Important Institutions (G-SIIs), are identified as systemically important by the relevant authorities according to harmonized criteria laid down in the EBA Guidelines. This list is based on end-2019 data and also reflects the O-SII score and the capital buffers that the relevant authorities have set for the identified O-SIIs.</p>
April 2021	IAIS	<p><u>Redefining Insurance Supervision for the New Normal</u></p> <p>The report explores the experiences and challenges of insurance supervisors as they were forced to adapt to prolonged remote working conditions during the COVID-19 pandemic. It highlights some key considerations to help supervisors in their ongoing efforts to adjust to the new normal of digitalization accelerated by the pandemic as well as to ensure an increased level of preparedness for similar large scale disruptions in the future.</p>

National Regulators

Date	Organization	Title & Abstract
April 13, 2021	OSFI	<p><u>OSFI Launches Consultation on Enhanced Assurance Expectations</u></p> <p>OSFI has launched a consultation with the publication of a discussion paper, <i>Assurance on Capital, Leverage and Liquidity Returns</i> for federally regulated insurers (FRIs) and deposit-taking institutions (DTIs). The paper focuses on enhancing and aligning assurance expectations given the increasing complexity arising from the evolving regulatory reporting framework, particularly changes resulting from International Financial Reporting Standards 17 <i>Insurance Contracts</i> and the Basel III reforms.</p>

Date	Organization	Title & Abstract
April 29, 2021	PRA	<p><u>Prudential Regulation Authority Proposals for New “Strong and Simple” Regulatory Framework for Non-systemic Banks and Building Societies</u> The PRA has published options for discussion on changes to the way small, non-systemic banks and building societies are regulated.</p>
April 27, 2021	PRA	<p><u>PRA Statement on the Disclosure of Exposures Subject to Measures Applied in Response to COVID-19</u> This statement updates guidance to UK banks and building societies on the disclosure of exposures subject to COVID-19 measures.</p>
April 15, 2021	PRA	<p><u>The PRA’s Methodologies for Setting Pillar 2 Capital</u> This statement of policy sets out the methodologies that the PRA uses to inform the setting of Pillar 2 capital for firms to which CRD IV applies.</p>
April 15, 2021	PRA	<p><u>Non-systemic UK Banks: The Prudential Regulation Authority’s Approach to New and Growing Banks – SS 3/21</u> This supervisory statement provides an overview of how the PRA’s supervisory expectations of ‘new and growing’ non-systemic UK-incorporated banks evolve as they grow from the point of authorization to being regarded as fully established banks.</p>
April 15, 2021	PRA	<p><u>The Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP) – SS 31/15</u> This supervisory statement is aimed at firms to which CRD applies and replaces PRA SS5/13 and PRA SS6/13. It provides further detail on the high-level expectations outlined in <i>The Prudential Regulation Authority’s Approach to Banking Supervision</i>.</p>
April 19, 2021	FCA	<p><u>Second Consultation on New Prudential Regime for UK Investment Firms</u> The UK Investment Firm Prudential Regime (IFPR) has introduced a new prudential regime for MiFID investment firms regulated by the FCA. It will create a single, proportionate regime that reflects firms’ size and business. The regime focuses prudential requirements on the potential harm to consumers, clients, and the market.</p>
April 22, 2021	APRA	<p><u>APRA Releases Guidance on Managing the Financial Risks of Climate Change</u> APRA has released for consultation its draft guidance to banks, insurers and superannuation trustees on managing the financial risks of climate change. The draft <i>Prudential Practice Guide CPG 229 Climate Change Financial Risks</i> (CPG 229) is designed to assist APRA-regulated entities in managing climate-related risks and opportunities as part of their existing risk management and governance frameworks.</p>
April 8, 2021	APRA	<p><u>APRA Releases Consultation to Enhance Oversight of Life Reinsurance Market</u> APRA has released for consultation a package designed to address concerns regarding the increased use of offshore reinsurers by life insurers. These concerns are particularly heightened in relation to the group risk market, which plays an important role in Australia’s superannuation system.</p>
April 26, 2021	Monetary Authority of Singapore	<p><u>MAS Report on Critical Infrastructure for an Inclusive Digital Economy</u> MAS has launched a report on the foundational digital infrastructure necessary for an inclusive digital economy and seamless cross-border transactions around the world.</p>

International Organizations

Date	Organization	Title & Abstract
April 9, 2021	FSI	<p><u>Redefining Insurance Supervision for the New Normal</u> This paper outlines common and specific measures taken by supervisors to cope with the pandemic. It is based on interviews with nine insurance supervisory authorities.</p>
April 7, 2021	FSI	<p><u>Supervising Cryptoassets for Anti-money Laundering</u> This paper assesses emerging regulatory approaches and supervisory practices and identifies policy priorities to address common challenges faced by financial authorities.</p>
March 2021	IMF	<p><u>Digital Financial Inclusion in Emerging and Developing Economies: A New Index</u> Two key findings of the paper are: i) adoption of FinTech has been a key driver of financial inclusion; and ii) a wide variation across countries and regions, with the greatest progress recorded in Africa and Asia and the Pacific regions.</p>