

Toronto Centre Publications Monitoring Report

August 2019

A synopsis of recently issued supervisory guidance, news releases, working papers and related documents from over 50 global and regional standard setting bodies, national regulators, international organizations and industry groups as well as the latest TC Notes. This report is prepared monthly for the TC Community. With the exception of the TC Notes, the summaries are taken from the organizations' web sites. Toronto Centre does not hold the copyright to these abstracts.

TC Notes

Date	Organization	Title & Abstract
August 2019	Toronto Centre	Turning Risk Assessments Into Supervisory Actions This Note describes a framework for turning risk assessments into firm-specific supervisory programs.

Standard Setting Bodies

Date	Organization	Title & Abstract
August 8, 2019	EBA	EBA Publishes the First of Three Opinions on the Implementation of the Deposit Guarantee Schemes Directive The EBA published an opinion on the implementation of the Deposit Guarantee Schemes Directive in the EU. It proposes a number of changes aimed at strengthening depositor protection, enhancing financial stability and improving operational effectiveness. Two other opinions are forthcoming later in 2019.
August 5, 2019	EBA	EBA Advises the European Commission on the Implementation of the Final Basel III Framework The EBA published its advice on the implementation of Basel III in the EU, which includes a quantitative analysis of the estimated impact based on data from 189 banks, and a set of policy recommendations.

Date	Organization	Title & Abstract
July 2019	FATF	Terrorist Financing Risk Assessment Guidance This report provides good approaches, relevant information sources and practical examples for practitioners to consider when assessing terrorist financing risk at the jurisdiction level.

National Regulators

Date	Organization	Title & Abstract
August 20, 2019	FDIC	FDIC Approves Interagency Final Rule to Simplify and Tailor the “Volcker Rule” The new interagency final rule will simplify and tailor the “Volcker Rule” that generally prohibits banking entities from engaging in proprietary trading and from owning or controlling hedge funds or private equity funds.
August 21, 2019	APRA	APRA Releases the Financial Sector (Shareholdings) Rules 2019 APRA has released the <i>Financial Sector (Shareholdings) Rules 2019</i> (FSSA Rules) that will provide clarity to owners of new entrant financial sector companies on whether they are likely to be approved under the <i>Financial Sector (Shareholdings) Act 1998</i> (FSSA) 'fit and proper' test.
August 20, 2019	APRA	APRA Strengthens Rules to Combat Contagion Risk Within Banking Groups APRA has released a strengthened prudential standard aimed at mitigating contagion risk within banking groups. The updated Prudential Standard APS 222 <i>Associations with Related Entities</i> will further reduce the risk of problems in one part of a corporate group having a detrimental impact on an authorized deposit-taking institution.
August 26, 2019	HKMA	HKMA Liquidity Facilities Framework for Banks The HKMA has completed a review of its framework for the provision of Hong Kong dollar liquidity to banks. A key objective of the review is to ensure that the HKMA's Liquidity Facilities Framework can support Hong Kong's resolution regime.
August 6, 2019	MAS	MAS Issues New Rules to Strengthen Cyber Resilience of Financial Industry The new rules make it mandatory for financial institutions to comply with the following requirements: i) establish and implement robust security for IT systems; ii) ensure updates are applied to address system security flaws in a timely manner; iii) deploy security devices to restrict unauthorized network traffic; iv) implement measures to mitigate the risk of malware infection; v) secure the use of system accounts with special privileges to prevent unauthorized access; and vi) strengthen user authentication for critical systems as well as systems used to access customer information.
August 5, 2019	MAS	Consultation Paper on Requirements on Controls Against Market Abuse This consultation sets out MAS' proposed requirements on financial institutions, and are aimed at improving controls and facilitating investigations into cases of market abuse.

International Organizations

Date	Organization	Title & Abstract
August 2019	AAOIFI	<p><u>AAOIFI Issues Exposure Draft on “Code of Ethics for Islamic Finance Professionals” and Invites Opinions from Islamic Finance Industry</u></p> <p>The objectives of this code are to assist Islamic finance professionals in understanding the demands of ethical conduct and choosing the right course of action when facing an ethical dilemma; to encourage voluntary adoption of ethical behaviour; to facilitate them in becoming role models of ethical behaviour for others; to safeguard the reputation of the Islamic finance industry; and to help the industry and the professionals achieve Barakah by following the letter and spirit of the Shariah.</p>
July 2019	CGAP	<p><u>Data-Driven Segmentation in Financial Inclusion</u></p> <p>Paper discusses how financial services providers can use data analytics to better segment and serve customers.</p>
July 2019	IMF	<p><u>The Long Shadow of the Global Financial Crisis: Public Interventions in the Financial Sector</u></p> <p>We track direct public interventions and public holdings in 1,114 financial institutions over the period 2007–17 in 37 countries based on publicly available information.</p>

Industry

Date	Organization	Title & Abstract
August 2019	IIF	<p><u>Climate-Related Financial Disclosures: Examples of Leading Practices in TCFD Reporting by Financial Firms</u></p> <p>This report aims to provide insight on current “leading practices” among financial firms in implementing TCFD recommendations, providing a snapshot of “what good disclosure looks like”. These examples should help prompt discussion within the industry and inform dialogue with regulators and supervisors on how to achieve the goals of the TCFD, particularly on appropriate pricing of climate-related risks and financial stability.</p>