

Toronto Centre Publications Monitoring Report

March 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 |
|------------|----------------|---|
| March 2020 | Toronto Centre | <u>Coronavirus and the Financial Sector</u> Toronto Centre Discussion Note sets out background to the coronavirus and its impact on the financial sector and the real economy. It concludes with implications for supervisors. |
| March 2020 | Toronto Centre | <u>Designing and Implementing a Systematic Financial Crisis Management Simulation</u> Toronto Centre Note provides background on the design and implementation of bespoke system-wide financial crisis management simulations (SWFCMS) intended to test system-wide responses to financial sector crises. |

TC Webinars

| Date | Organization | Title & Abstract |
|------------|----------------|--|
| March 2020 | Toronto Centre | <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 from supervisory experts. |

Standard Setting Bodies

| Date | Organization | Title & Abstract |
|----------------|--------------|--|
| March 30, 2020 | EBA | <p><u>EBA Identifies Trends and Lessons Learned in Financial Education and Literacy Initiatives in Its Second Financial Education Report</u></p> <p>The EBA published its second edition of the <i>Financial Education Report</i> (FER). The FER describes the most common approaches used by the national authorities and the lessons learned and experiences gained in the area of financial education and financial literacy.</p> |
| March 12, 2020 | EBA | <p><u>EBA Issues Updated List of Validation Rules</u></p> <p>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> |
| March 10, 2020 | EBA | <p><u>EBA Highlights the Importance of Data and Information Preparedness to Perform a Valuation for Resolution</u></p> <p>The EBA published the chapter on how resolution authorities should assess institutions' management information systems, in the context of the resolvability assessment, to ensure that data and information are swiftly provided to support a robust valuation for resolution (valuation MIS).</p> |
| March 10, 2020 | EBA | <p><u>EBA Concludes that No Specific Regulatory LGD Should Be Set for Credit Insurance Claims</u></p> <p>The EBA published an opinion on the treatment of credit insurance in the prudential framework, in response to the extensive feedback received in its public consultations on draft Guidelines on credit risk mitigation for institutions applying the Internal Ratings-Based Approach (IRB Approach) with own estimates of Loss Given Default (LGD). In this Opinion the EBA calls for the implementation of the final Basel III framework as agreed by the BCBS.</p> |
| March 2, 2020 | EBA | <p><u>EBA Notes Enhanced Consistency on Institutions' Pillar 3 Disclosures But Calls for Improvements to Reinforce Market Discipline</u></p> <p>The EBA published its report assessing institutions' Pillar 3 disclosures, which aims at identifying best practices and potential areas for improvement. While the EBA observes overall progress in institutions' prudential disclosures, some practices may still impair the proper communication of their risk profile in a comparable way, compromising the ultimate objective of market discipline.</p> |
| March 9, 2020 | ESMA | <p><u>ESMA Consults on Draft Technical Standards for Benchmarks</u></p> <p>ESMA has launched a consultation on draft Regulatory Technical Standards (RTS) under the <i>Benchmarks Regulation</i> covering governance, methodology, infringements reporting, critical benchmarks.</p> |
| March 19, 2020 | IAIS | <p><u>IAIS Recognises the Possibilities and Pitfalls of Big Data for Policyholders, Encourages a Multi-stakeholder Approach</u></p> <p>IAIS has published an <i>Issues Paper on the Use of Big Data Analytics in Insurance</i>. The paper notes that increasing digitization of insurance provides tremendous opportunities for the sector; however, this rapid innovation could unintentionally create risks of poor outcomes for policyholders and increased vulnerabilities for the sector as a whole. Supervisors accordingly must remain vigilant of, and consider appropriate and proportionate responses to, such risks.</p> |

| Date | Organization | Title & Abstract |
|----------------|--------------|---|
| March 23, 2020 | IOSCO | <u>IOSCO Report Examines How Existing Regulatory Principles Could Apply to Stablecoins</u> IOSCO published a report, <i>Global Stablecoin</i> , that identifies the possible implications of global stablecoin initiatives for securities markets regulators. |

National Regulators

| Date | Organization | Title & Abstract |
|---------------|-------------------------|--|
| March 2, 2020 | PRA | <u>The PRA's Approach to Supervising Liquidity and Funding Risks – SS 24/15</u> This supervisory statement was updated following PS 4/20 <i>Liquidity: The PRA's Approach to Supervising Liquidity and Funding Risks</i> . |
| March 6, 2020 | FCA | <u>FCA Announces Proposals to Improve Climate-related Disclosures by Listed Companies</u> The FCA has published proposals outlining new climate-related disclosure requirements for premium listed issuers. The new rule will require all commercial companies with a premium listing to either make climate related disclosures consistent with the approach set out by the Taskforce on Climate-related Financial Disclosures (TCFD) or explain why not. |
| March 6, 2020 | Federal Reserve FDIC | <u>Agencies Invite Comment on Updates to Resolution Plan Guidance for Large Foreign Banks</u> The FDIC and the Federal Reserve Board invited public comment on proposed changes to the guidance for resolution plans submitted by large foreign banks, including plans that are due by July 1, 2021. The updates focus on the agencies' expectations around a firm's derivatives and trading activities and payment, clearing, and settlement activities. |

International Organizations

| Date | Organization | Title & Abstract |
|------------|--------------|--|
| March 2020 | FSI | <u>Bank Boards - A Review of Post-crisis Regulatory Approaches</u> This paper surveys 19 jurisdictions and reviews their post-crisis "fit and proper" (F&P) assessment criteria for bank directors, and the related guidance on board composition and structure. |