

Toronto Centre Publications Monitoring Report

May 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
May 2021	Toronto Centre	<p>Climate Change: Issues for Securities Supervisors</p> <p>Toronto Centre Note addresses three key areas where climate impacts are relevant for securities supervisors in relation to financial stability, market integrity, and investor protection: i) issuer obligations to disclose material information and risks; ii) risk management in securities firms, particularly operational resilience and the impact of changing asset values on market risk and obligations to clients; and iii) green investing. This Note suggests practical steps that securities supervisors can take now, points to existing standards and tools that can be used as a basis and indicates areas where expectations and tools are likely to evolve.</p>

TC Podcasts/Webcasts/Videos

Date	Organization	Title & Abstract
May 2021	Toronto Centre	<p>Operational Resilience: The Next Frontier for Supervisors</p> <p>This podcast explains how supervisors can assess a financial institution's operational resilience as part of their supervisory assessment and discusses how operational resilience fits within a risk-based supervisory approach.</p>

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May 2021	Toronto Centre	<p><u>The FinTech Gender Gap</u> The speakers discussed the results of the recently released BIS Working Paper, <i>The FinTech Gender Gap</i>, which identified country characteristics, differences in the willingness to use new financial technology, and different attitudes towards privacy and technology as reasons for some of the gap. The speakers also explored challenges and opportunities in fostering financial inclusion with new technology for supervisors and regulators.</p>

Standard Setting Bodies

Date	Organization	Title & Abstract
May 31, 2021	FSB	<p><u>FSB Seeks Feedback on its Proposals for Quantitative Targets for Enhancing Cross-border Payments</u> The FSB published a public consultation on global targets for addressing the four challenges of cross-border payments. The quantitative targets proposed are a foundational step in the <i>G20 Roadmap for Enhancing Cross-border Payments</i>, which was endorsed by G20 Leaders in November 2020.</p>
May 5, 2021	BCBS CPMI IOSCO	<p><u>BCBS, CPMI and IOSCO Survey Clients and Non-bank Intermediaries on Margin Calls</u> International standard setters for banks, market infrastructures and securities markets have issued a survey on the use of margin calls as part of an examination into liquidity shortfalls during the early stages of the COVID-19 pandemic.</p>
May 28, 2021	EBA	<p><u>EBA Consults on Institutions' Pillar 3 Disclosure of Interest Rate Risk Exposures</u> The EBA launched a public consultation on draft implementing technical standards (ITS) on Pillar 3 disclosures regarding exposures to interest rate risk on positions not held in the trading book (IRRBB). The draft ITS put forward comparable disclosures that would allow stakeholders to assess institutions' IRRBB risk management framework as well as the sensitivity of institutions' economic value of equity and net interest income to changes in interest rates.</p>
May 27, 2021	EBA	<p><u>EBA Consults on New Guidelines on Cooperation and Information Exchange in the Area of Anti-money Laundering and Countering the Financing of Terrorism</u> The EBA launched a public consultation on its new guidelines that set out how prudential supervisors, AML/CFT supervisors and financial intelligence units (FIUs) should cooperate and exchange information in relation to AML/CFT, in line with provisions laid down in the <i>Capital Requirements Directive (CRD)</i>.</p>
May 27, 2021	EBA	<p><u>EBA Issues Report on the Application of the BRRD Early Intervention Framework</u> The EBA published a report on the application of early intervention measures under the <i>Bank Recovery and Resolution Directive (BRRD)</i>. The report highlights the key challenges faced by supervisors in the application of the current regulatory framework on the EIMs and various options for addressing them.</p>
May 27, 2021	EBA	<p><u>EBA Shows Good Progress in the Reduction of MREL Shortfall for the Largest Banks</u> The EBA published its second quantitative report on minimum requirements for own funds and eligible liabilities (MREL) under the new methodology. The report shows that as of December 2019, the largest institutions have made good progress in reducing MREL shortfalls, and that smaller institutions tend to lag behind.</p>

Date	Organization	Title & Abstract
May 21, 2021	EBA	<p><u>EBA Publishes Results of EU-wide Pilot Exercise on Climate Risk</u> The EBA published the findings of its first EU-wide pilot exercise on climate risk, whose main objective is to map banks' exposures to climate risk and provide an insight into the green estimation efforts banks have carried out so far. The findings give a clear picture of banks' data gaps and highlight the sense of urgency to remedy them if they are to achieve a meaningful and smooth transition to a low-carbon economy.</p>
May 12, 2021	EBA	<p><u>The EBA Observes Achievements in a Number of Key Areas of the Supervisory Review Across the EU, But Also Highlights Items Requiring Continued Attention</u> The EBA has published its report on convergence of supervisory practices in 2020. The report finds that supervisors converged in using the key topics of the EBA 2020 Convergence Plan in their supervisory work in 2020 and good progress in supervisors' efforts could be achieved across the EU.</p>
May 10, 2021	EBA	<p><u>EBA Updates Data on Deposit Guarantee Schemes Across the EEA</u> The EBA published 2020 data relating to two key concepts and indicators in the <i>Deposit Guarantee Schemes Directive</i> (DGSD): available financial means and covered deposits.</p>
May 3, 2021	EBA	<p><u>The EBA Publishes Report on Mystery Shopping Activities of National Authorities</u> The EBA published today a report on the mystery shopping activities of NCAs. The EBA collated mystery shopping activities by NCAs with a view to share experiences, learn valuable lessons, and identify good practices for the benefit of the EBA and NCAs that use or intend to use mystery shopping in the future.</p>
May 17, 2021	EBA EIOPA ESMA	<p><u>ESAs Report on the Implementation and Functioning of the Securitisation Regulation</u> The ESAs published their analysis of the implementation and the functioning of the EU <i>Securitisation Regulation</i> (SECR), including recommendations on how to address initial inconsistencies and challenges, which may affect the overall efficiency of the current securitization regime.</p>
May 25, 2021	IAIS SIF	<p><u>Application Paper on the Supervision of Climate-related Risks in the Insurance Sector</u> The Application Paper provides recommendations and examples of good practice for insurance supervisors to manage the challenges arising from climate change.</p>
May 6, 2021	IOSCO	<p><u>IOSCO Reviews Implementation of Recommendations and Standards on BCPs for Trading Venues and Market Intermediaries</u> IOSCO has published a <i>Thematic Review on Business Continuity Plans With Respect to Trading Venues and Intermediaries</i>. The review reports on the extent to which participating IOSCO member jurisdictions have implemented regulatory measures consistent with the two recommendations and the two standards set out in the 2015 IOSCO reports on <i>Business Continuity Plans (BCPs) for Trading Venues and Market Intermediaries</i>.</p>

National Regulators

Date	Organization	Title & Abstract
May 28, 2021	PRA	<u>Ensuring Operational Continuity in Resolution – SS4/21, SS9/16</u> This supervisory statement sets out the PRA's expectations on firms to ensure operational continuity of critical services to facilitate recovery actions, orderly resolution and post-resolution restructuring.
May 24, 2021	PRA	<u>Prudential Regulation Authority Business Plan 2021/22</u> The Business Plan sets out the PRA's strategy, workplan, and budget for 2021/22.
May 14, 2021	FCA	<u>FCA Proposes Stronger Protection for Consumers in Financial Markets</u> The FCA has today set out plans for a new consumer duty, which will set a higher level of consumer protection in retail financial markets for firms to adhere to.
May 28, 2021	Bank of England	<u>Updates to the Bank of England's Approach to Assessing Resolvability</u> Policy statement sets out updates to the Bank's approach to assessing resolvability.

International Organizations

Date	Organization	Title & Abstract
May 2021	FSI	<u>Institutional Arrangements for Bank Resolution</u> This paper reviews the institutional arrangements for bank resolution frameworks in 16 jurisdictions. The analysis shows that conflicts of interest between the resolution and supervisory functions can arise irrespective of whether they are institutionally co-located or separate. A key factor in all types of arrangement is balancing operational independence for the resolution function with structures that allow it to benefit from synergies with the supervisory function.
May 2021	IFC	<u>The Early Impact of COVID-19 on Financial Institutions</u> This note summarizes key findings of a survey in which managers across 65 emerging markets were asked to share their assessments of the pandemic's impact, primarily along four dimensions: operations, strategic direction, funding, and loan portfolio.
May 26, 2021	Network for Greening the Financial System	<u>NGFS Publishes a Progress Report with Preliminary Findings on Climate-related Data Gaps</u> The NGFS has released a report, <i>Progress Report on Bridging Data Gaps</i> , which forms part of the first phase of the work program of the NGFS workstream on bridging the data gaps. This report lays the groundwork for a comprehensive assessment of climate-related data needs and gaps.