

# Toronto Centre Publications Monitoring Report

## November 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
November 2020	Toronto Centre	<b>Cloud Computing: Issues for Supervisors</b> Toronto Centre Note contrasts the observed and potential benefits of cloud computing outsourcing with the supervisory concerns that its growth raises, particularly from the perspective of EMDE supervisors. It discusses the regulatory and supervisory responses and highlights next steps for supervisors.
November 2020	Toronto Centre	<b>IFRS Insurance 17 Contracts: What Supervisors Need to Know</b> Toronto Centre Note covers the amendments to IFRS 17 issued in June 2020 (see Appendix 1) and the plans that insurance supervisors need to develop and implement to facilitate a smooth transition to IFRS 17. It is based upon the final Standard as amended and a review of publicly available resources to glean the insights of insurers and professionals involved in the implementation of IFRS 17. This Note discusses: i) how the key features of the Standards have been designed to meet the IASB's objectives; ii) the potential implications for insurers applying IFRS 17; iii) considerations of the adoption of IFRS 17 for regulatory and supervisory purposes based on the guidance of the Insurance Core Principles (ICPs) of the IAIS; and iv) the need for supervisors to understand the impact and steps to ensure preparedness and adequate supervisory oversight of transition and implementation.

## TC Podcasts/Webcasts/Videos

Date	Organization	Title & Abstract
November 2020	Toronto Centre	<b>Supervising the New Normal: SupTech in the Post-COVID-19 World</b> This webcast focuses on the role of SupTech in the post-COVID-19 world.
November 2020	Toronto Centre	<b>Supervising the New Normal: A Guide to Navigate the Pandemic</b> This webcast focuses on the impact of COVID-19 on the financial system. It discusses emerging trends for supervising the new normal.
November 2020	Toronto Centre	<b>Emotional Wellness for Supervisors: How to Thrive in Our Current Environment</b> This podcast focuses on mental wellness in the workplace and how leaders can support a healthy and thriving team. It provides practical tips and ideas to help you to manage your own well-being.
October 2020	Toronto Centre	<b>State Bank of Pakistan's Response to the COVID-19 Crisis</b> Dr. Inayat Hussain, Executive Director of the Banking Supervision Group, discusses the impact of COVID-19 in Pakistan, the State Bank of Pakistan's policy response, and the future risks.

## Standard Setting Bodies

Date	Organization	Title & Abstract
November 23, 2020	FSB	<b>FSB Examines Financial Stability Implications of Climate Change</b> The FSB published a report, <i>The Implications of Climate Change for Financial Stability</i> , that examines the potential implications of climate change for financial stability. It analyses how climate-related risks might be transmitted across, and might be amplified by, the financial system, including across borders. It also sets out next steps for the FSB's work in this area.
November 20, 2020	FSB	<b>FSB Sets Out Progress on Interest Rate Benchmark Reform</b> The FSB published a progress report on implementation of reforms to major interest rate benchmarks. The roadmap sets out a timetable of actions for financial and non-financial sector firms to take in order to ensure a smooth LIBOR transition by end-2021.
November 18, 2020	FSB	<b>FSB Highlights Need for Resolution Preparedness</b> The FSB published its <i>2020 Resolution Report</i> . The report updates on progress in implementing policy measures to enhance the resolvability of systemically important financial institutions and highlights the need for resolution preparedness. It also discusses lessons learnt from the COVID-19 pandemic, which confirmed the importance of ongoing work on resolvability, including for central counterparties (CCPs).

Date	Organization	Title & Abstract
November 16, 2020	FSB	<p><b>FSB Releases Guidance on CCP Financial Resources for Resolution and Announces Further Work</b></p> <p>The FSB published final guidance on financial resources to support central counterparty (CCP) resolution and on the treatment of CCP equity in resolution. The guidance will support resolution authorities and crisis management groups in assessing the adequacy of financial resources for CCP resolution and provides guidance on approaches to the treatment of CCP equity in resolution.</p>
November 13, 2020	FSB	<p><b>FSB Publishes Annual Report on Implementation and Effects of Financial Regulatory Reforms</b></p> <p>The FSB published its 2020 report on the implementation and effects of the G20 financial regulatory reforms. The report finds that the G20 reforms after the 2008 financial crisis have served the financial system well during the COVID-19 pandemic. Greater resilience of major banks at the core of the financial system has allowed the system largely to absorb, rather than amplify, the macroeconomic shock.</p>
November 11, 2020	FSB	<p><b>FSB Publishes 2020 G-SIB List</b></p> <p>The FSB published the 2020 list of global systemically important banks (G-SIBs) using end-2019 data and an assessment methodology designed by the BCBS.</p>
November 9, 2020	FSB	<p><b>FSB Consults on Regulatory and Supervisory Issues Relating to Outsourcing and Third-Party Relationships</b></p> <p>The FSB published a discussion paper, <i>Regulatory and Supervisory Issues Relating to Outsourcing and Third-Party Relationships</i>, for public consultation. It draws on findings from a survey conducted among the FSB members. It identifies a number of issues and challenges.</p>
November 26, 2020	BCBS	<p><b>Basel Committee Amends Capital Requirements for Non-Performing Loan Securitizations</b></p> <p>The BCBS published the technical amendment <i>Capital Treatment of Securitizations of Non-Performing Loans</i>. The rule closes a gap in the Basel framework by setting out prudent and risk sensitive capital requirements for non-performing loan securitizations.</p>
November 11, 2020	BCBS	<p><b>Basel Committee Publishes New Details on Global Systemically Important Banks</b></p> <p>The BCBS published further information on its 2020 assessment of global systemically important banks (G-SIBs), based on end-2019 bank data, including details to enhance the understanding of G-SIB scores.</p>
November 3, 2020	BCBS	<p><b>Implementation of Basel Standards</b></p> <p>This report updates G20 leaders on the progress of Basel Committee member jurisdictions in implementing the Basel III regulatory reforms, and on Basel Framework-related measures taken by Basel Committee members in response to COVID-19.</p>
November 20, 2020	EBA	<p><b>Banks Report a Significant Use of COVID-19 Moratoria and Public Guarantees</b></p> <p>The EBA published a first assessment of the use of COVID-19 moratoria and public guarantees across the EU banking sector.</p>
November 19, 2020	EBA	<p><b>EBA Analyses Effect of the Unwind Mechanism of the Liquidity Coverage Ratio</b></p> <p>The EBA published a report on the effects of the unwind mechanism of the liquidity coverage ratio (LCR) over a three-year period, from the end of 2016 to the first quarter of 2020. Overall, the empirical evidence does not support the hypothesis that the unwind mechanism has a detrimental impact on the business and risk profile of credit institutions.</p>

Date	Organization	Title & Abstract
November 18, 2020	EBA	<p><b>EBA Publishes Report on Benchmarking of National Insolvency Frameworks Across the EU</b></p> <p>The EBA published its report on the benchmarking of national loan enforcement frameworks across EU Member States in response to the EU Commission's call for advice. The report introduces for the first time a set of benchmarks for bank loan recovery and identifies areas where the divergence in the national insolvency regimes is wider. In addition, the report provides an overview of the characteristics of insolvency regimes that help explain the differences across the EU.</p>
November 13, 2020	EBA	<p><b>EBA Publishes the Methodology for the 2021 EU-wide Stress Test</b></p> <p>The EBA published the final methodology, draft templates and template guidance for the 2021 EU-wide stress test along with the key milestones of the exercise. The methodology and templates include some targeted changes compared to the postponed 2020 exercise, such as the recognition of FX effects for certain P&amp;L items, and the treatment of moratoria and public guarantees in relation to the current Covid-19 crisis.</p>
November 4, 2020	EBA	<p><b>EBA Sets Out How Prudential Supervisors Should Take Money Laundering and Terrorist Financing Risks into Account in the Supervisory Review and Evaluation Process</b></p> <p>The EBA published an opinion setting out how prudential supervisors should consider money laundering and terrorist financing (ML/TF) risks in the context of the Supervisory Review and Evaluation Process (SREP).</p>
November 3, 2020	EBA	<p><b>The EBA Launches Consultation to Incorporate ESG Risks into the Governance, Risk Management and Supervision of Credit Institutions and Investment Firms</b></p> <p>The EBA published a discussion paper on Environmental, Social and Governance (ESG) risks management and supervision aiming to collect feedback for the preparation of its final report on the topic. It provides a comprehensive proposal on how ESG factors and ESG risks could be included in the regulatory and supervisory framework for credit institutions and investment firms.</p>
November 3, 2020	EBA	<p><b>EBA Encourages Financial institutions to Put the Required Focus on Consumers' Interests When Applying Product Oversight and Governance Arrangements</b></p> <p>The EBA published its second report on how the industry has implemented the <i>EBA Guidelines on Product Oversight and Governance Arrangements</i> (POG). It identifies good practices of financial institutions and concludes that many of them do not sufficiently put the required focus on ensuring that consumers' needs are met in line with the guidelines.</p>
November 27, 2020	ECB	<p><b>ECB Report on Institutions' Climate-related and Environmental Risk Disclosures</b></p> <p>This report provides a snapshot of the level of disclosure of climate-related and environmental risks in the SSM countries. It provides an overview of the state of climate-related and environmental risk disclosures in the SSM area in 2020, also with respect to the related supervisory expectation. It also provides an overview of observed practices and areas for improvement.</p>
November 9, 2020	IAIS	<p><b>IAIS Releases Three Public Consultations Related to Comparable Outcomes, Liquidity Metrics and Resolution</b></p> <p>The IAIS has released three documents for public consultation: i) Draft Definition of Comparable Outcomes and High-level Principles to Inform the Criteria That Will Be Used to Assess Whether the AM Provides Comparable Outcomes to the ICS; ii) Development of Liquidity Metrics: Phase 1 – Exposure Approach; and iii) Application Paper on Resolution Powers and Planning.</p>

Date	Organization	Title & Abstract
November 20, 2020	IOSCO	<p><b><u>IOSCO Reviews Money Market Funds Recommendations and Events Arising from the March 2020 Market Turmoil</u></b>  IOSCO published a diagnostic report analyzing the events that occurred in the Money Market Funds (MMFs) sector during the market turmoil in March 2020. Simultaneously, IOSCO published a thematic review assessing the implementation of selected IOSCO recommendations issued in 2012 to strengthen the resilience of MMFs globally.</p>

## National Regulators

Date	Organization	Title & Abstract
November 16, 2020	Bank of Canada OSFI	<p><b><u>Bank of Canada and OSFI Launch Pilot Project on Climate Risk Scenarios</u></b>  The Bank of Canada and OSFI announced plans for a pilot project to use climate-change scenarios to better understand the risks to the financial system related to a transition to a low-carbon economy. The project aims to: i) build the climate scenario analysis capability of authorities and financial institutions, and support the Canadian financial sector in enhancing the disclosure of climate-related risks; ii) increase authorities' and financial institutions' understanding of the financial sector's potential exposure to risks associated with a transition to a low-carbon economy; and iii) improve authorities' understanding of financial institutions' governance and risk-management practices around climate-related risks and opportunities.</p>
November 16, 2020	PRA	<p><b><u>Response to the General Insurance Industry – A Framework for Assessing Financial Impacts of Physical Climate Change</u></b>  This report outlines the PRA's response to industry feedback received on the framework for assessing financial impacts of physical climate change report.</p>
November 9, 2020	HM Treasury	<p><b><u>Interim Report of the UK's Joint Government-Regulator TCFD Taskforce</u></b>  The report and its accompanying roadmap outline the UK's approach to implementing the recommendations of the Task Force on Climate-related Financial Disclosures.</p>
November 6, 2020	Federal Reserve Board	<p><b><u>Federal Reserve Publishes Latest Version of its Supervision and Regulation Report</u></b>  The Federal Reserve Board published the latest version of its supervision and regulation report, which summarizes banking conditions and information about the Federal Reserve's bank regulatory and supervisory activities.</p>

## International Organizations

Date	Organization	Title & Abstract
November 9, 2020	BIS	<p><b><u>Inside the Regulatory Sandbox: Effects on FinTech Funding</u></b>            This paper analyses how entering the United Kingdom's regulatory sandbox affects FinTechs' ability to raise funding.</p>
November 5, 2020	BIS	<p><b><u>The Dawn of Fintech in Latin America: Landscape, Prospects and Challenges</u></b>            BIS paper takes stock of how FinTech is transforming financial services in Latin America and evaluates the prospects for FinTech by exploring the institutional framework to supervise and regulate it. The paper concludes by presenting the challenges that FinTech faces in becoming a game changer for the region.</p>
November 2020	CGAP	<p><b><u>The Landscape of Microinsurance 2020</u></b>            A total of 194 insurance providers in 27 countries in Africa, Asia and Latin America and the Caribbean participated in this study. While this study is based on data from 2019, it is clear that the trends explored in this report will be impacted by the COVID-19 pandemic. Although the full effects are not yet known, early indications suggest that the pandemic is accelerating digitization and increasing customer awareness of risk, while also leaving some customers with unmet expectations and many insurers and distributors hard hit by the crisis.</p>
November 2020	CGAP	<p><b><u>MFIs on the Rebound, But Will It Last?</u></b>            This paper looks at how COVID-19 is affecting the microfinance sector's portfolio quality and financial health.</p>
October 2020	CGAP	<p><b><u>Open Banking: How to Design for Financial Inclusion</u></b>            This paper examines 12 regimes and identifies the critical design components that are most likely to serve the needs of poor people.</p>
November 2020	FinEQUITY Brief	<p><b><u>Gender Data in Financial Inclusion</u></b>            This FinEquity Brief highlights how, as a component of gender data, sex-disaggregated data can support women's financial inclusion. It summarizes the use case for policy and regulation in women's financial inclusion, and discusses applications for program design, product design, and M&amp;E.</p>
November 2020	IFC	<p><b><u>COVID-19 and Gender Equality: Six Actions for the Private Sector</u></b>            This guidance note seeks to inform private sector companies about how to recover resiliently and inclusively from the effects of COVID-19, while considering the gender gap between women and men in their company's operations. It recommends six actions that private sector companies can implement to ensure that both women and men can return to economic activities during and after the pandemic, and participate equally as leaders, employees, business owners, and consumers.</p>

## Other

Date	Organization	Title & Abstract
October 2020	API AfPI	<p><b><u>Regional Policy Framework for Enhancing MSME Financing Ecosystem in Africa</u></b>            This framework is intended to identify the best practices of micro, small and medium sized enterprises (MSMEs) financing policy, explore pathways and enabling factors of implementable action plans, and provide policy recommendations to financial sector regulators with regard to access to finance for MSMEs in Africa.</p>
November 2020	FSD Kenya	<p><b><u>The Prevalence and Drivers of Financial Resilience Among Adults</u></b>            This paper uses nationally representative 2014 and 2017 data from 144 economies worldwide to examine the ability of adult populations to withstand a moderate and unexpected financial disruption. Specifically, the paper examines the association of individual and country level factors with financial resilience, defined as people's self-reported ability to access funds for an emergency within one month. Three inter-connected questions are addressed: i) which economies do particularly well or poorly in supporting financial resilience; ii) is access to formal financial services for low income adults associated with financial resilience; and iii) which financial behaviors are associated with financial resilience?</p>