

Toronto Centre Publications Monitoring Report

September 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
September 2020	Toronto Centre	<p><u>Guide to Supervision in the COVID-19 World</u> Toronto Centre Guide to supervision in the aftermath of COVID-19 is intended to help the leadership of financial supervisory authorities to determine the implications of COVID-19 for how they undertake their supervision of financial institutions and financial markets. It complements and builds upon Toronto Centre Notes and webinars relating to the impact of the COVID-19 outbreak.</p>

TC Podcasts/Webcasts/Videos

Date	Organization	Title & Abstract
September 21, 2020	Toronto Centre	<p><u>Cloud Computing, Banking-as-a-Service, and Open Banking</u> Toronto Centre webcast discusses the implications of cloud computing, banking-as-a-service, and open computing for financial supervisors. While these arrangements may provide financial services with opportunities for greater efficiency and competitiveness, they may also increase risks such as strategic risks.</p>

Date	Organization	Title & Abstract
September 1, 2020	Toronto Centre	Recovery and Resolution Planning: Implications for Supervisors This podcast will focus on the recent TC Notes on recovery and resolution planning and discuss implications for supervisors should an institution fail.

Standard Setting Bodies

Date	Organization	Title & Abstract
September 30, 2020	EBA	EBA Publishes Work Programme for 2021 The EBA published its annual work programme for 2021, describing the activities and tasks of the Authority for the coming year and highlighting its key strategic areas of work.
September 25, 2020	EBA	EBA Launches EU-wide Transparency Exercise The EBA launched its 7th annual EU-wide transparency exercise with the objective of providing market participants with updated information on the financial conditions of EU banks as of June 2020, thus assessing the preliminary impact of the COVID-19 crisis on the sector.
September 17, 2020	EBA	EBA Seeks Input from Institutions on their ESG Disclosure Practices The EBA published an online survey to receive input from credit institutions on their practices and views in the area of disclosure of information on environmental social governance (ESG) risks. The survey, which is addressed to large credit institutions that will be required to disclose prudential information on ESG risks, aims to support the EBA's policy work on Pillar 3 disclosure and its wider efforts to develop a robust policy framework in the area of sustainable finance.
September 29, 2020	ESMA	ESMA Updates Regulatory Technical Standards (RTS) Under the Benchmarks Regulation (BMR) ESMA has published its final report containing new sets of draft regulatory technical standards (RTS) under the <i>Benchmarks Regulation</i> (BMR). These contain additional detailed rules to implement the European regulatory framework aimed at ensuring the accuracy and integrity of benchmarks across the EU.
September 28, 2020	ESMA	ESMA Publishes Draft Rules for Third-Country Firms Under New MiFIR and MiFID Regimes ESMA has published its final report containing draft regulatory and implementing technical standards (RTS and ITS) on the provision of investment services and activities in the EU by third-country firms under MiFIR and MiFID II.
September 24, 2020	ESMA	ESMA Publishes Outcomes of MAR Review ESMA has published a review of the <i>Market Abuse Regulation</i> (MAR). The report is the first in-depth review of the functioning of MAR since its implementation in 2016, and its recommendations will feed into the EC's review of MAR.

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September 22, 2020	EBA EIOPA ESMA	<p><u>EU Financial Regulators Assess Risks to the Financial Sector after the Outbreak of COVID-19 and Call for Enhanced Cooperation</u></p> <p>The three European Supervisory Authorities have issued their first joint risk assessment report of the financial sector since the outbreak of the COVID-19 pandemic. The report highlights how the pandemic has led to further amplified profitability concerns across the board and heightened liquidity challenges in segments of the investment fund sector. It particularly points to economic and market uncertainty as a key challenge going forward.</p>
September 7, 2020	IAIS	<p><u>IAIS Issues a Survey Invitation to Existing Prudential Treatments for Investments in Infrastructure and Strategic Equity (Public)</u></p> <p>The IAIS is exploring whether there should be a differentiated capital treatment of certain eligible infrastructure (both equity and debt) as well as strategic equity investments within the ICS. It is seeking input from the public regarding quantitative and qualitative material and data sources that could be used to support the aforementioned work. The survey also provides an opportunity for stakeholders to share with the IAIS their experience with respect to such investments.</p>
September 21, 2020	IOSCO	<p><u>IOSCO Issues Measures to Reduce Conflict of Interests in Debt Capital Raising</u></p> <p>IOSCO published final guidance to help its members address potential conflicts of interest and associated conduct risks market intermediaries may face during the debt capital raising process. The guidance also seeks to address some specific concerns observed by certain regulators during the COVID-19 crisis that may affect the integrity of the capital raising process.</p>

National Regulators

Date	Organization	Title & Abstract
September 15, 2020	OSFI	<p><u>OSFI Launches Consultation on Technology Risks in the Financial Sector</u></p> <p>OSFI has launched a three-month consultation with the publication of a discussion paper, <i>Developing Financial Sector Resilience in a Digital World</i>. The paper focuses on risks arising from rapid technological advancement and digitalization as these trends impact the stability of the Canadian financial sector.</p>
September 15, 2020	FCA	<p><u>FCA Seeks Views on How to Improve the Consumer Investment Market</u></p> <p>The FCA has today launched a Call for Input to help shape its work on improving the consumer investment market.</p>
September 10, 2020	Monetary Authority of Singapore	<p><u>MAS Issues Guidelines to Strengthen Culture of Responsibility and Ethical Behaviour in the Financial Industry</u></p> <p>MAS issued guidelines to strengthen the accountability of senior managers in key functions in financial institutions (FIs) and to promote ethical behaviour in FIs. The guidelines were accompanied by an information paper on good practices in these areas.</p>

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September 18, 2020	Securities & Futures Commission (Hong Kong)	<p><u>SFC Launches Consultation on Anti-money Laundering Guidelines</u> The SFC has launched a consultation paper on proposed amendments to: i) the <i>Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations)</i>; and ii) the <i>Prevention of Money Laundering and Terrorist Financing Guideline</i> issued by the Securities and Futures Commission for Associated Entities.</p>
September 29, 2020	Federal Reserve FDIC	<p><u>Agencies Issue Two Final Rules</u> The federal bank regulatory agencies finalized two rules, which are either identical or substantially similar to interim final rules currently in effect and issued earlier this year. They include: i) a final rule that temporarily defers appraisal and evaluation requirements for up to 120 days after the closing of certain residential and commercial real estate transactions; and ii) a final rule that neutralizes—due to the lack of credit and market risk—the regulatory capital and liquidity effects for banks that participate in certain Federal Reserve liquidity facilities.</p>

International Organizations

Date	Organization	Title & Abstract
September 29, 2020	CPMI World Bank	<p><u>Payment Aspects of Financial Inclusion - Tools to Facilitate the Application of the Guidance and Measure Progress</u> The CPMI and the World Bank published the report <i>Payment Aspects of Financial Inclusion: Application Tools</i>. The report will help national authorities apply the PAFI guidance.</p>
September 30, 2020	FSI	<p><u>Margin Requirements for Non-centrally Cleared Derivatives - Executive Summary</u> FSI Executive Summary discusses: i) scope of coverage; ii) margin requirements; and iii) phase-in schedule.</p>
September 3, 2020	FSI	<p><u>Closing the Loop: AML/CFT Supervision of Correspondent Banking</u> This paper aims to contribute to the international dialogue by focusing on supervisory practices relating to correspondent banking activities. While the study found that legal and regulatory frameworks are consistent with international standards, their implementation is more variable and would benefit from greater alignment with the standards and convergence across jurisdictions.</p>
August 27, 2020	FSI	<p><u>Regulating Fintech Financing: Digital Banks and Fintech Platforms</u> This paper explores how digital banking and fintech platform financing are regulated and provides a cross-country overview of the regulatory requirements for fintech activities in 30 jurisdictions.</p>
August 2020	FinDev Gateway	<p><u>Measuring Microfinance Impact</u> This paper introduces the concepts of impact, impact analysis/assessment and management, outlining the differences between assessment and evaluation, and highlighting their growing importance among the international and European communities.</p>

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August 2020	FinDev Gateway	<p>(Un)stacking Financial Market Infrastructure This paper is intended for policy makers and others who are interested in improving the digital financial infrastructure in their countries with the goal of advancing financial inclusion. It advocates for a scheme approach to infrastructure and describes some of the ways countries have tried to accelerate progress toward better systems through a holistic narrative for better “digital rails” in the country.</p>
July 2020	FinDev Gateway	<p>1st for Women: The Case for Insuring Women for a Better Tomorrow This case study explores the business case for women-centric insurance products in South Africa. The insurer 1st for Women found that, although South African women were purchasing insurance policies, these did not cater specifically to women’s needs. To tap that into this estimated \$1.5 billion market, 1st for Women analyzed women’s risk-protection needs and designed specific solutions and products rather than just repackaging existing products.</p>
September 1, 2020	FSD Africa	<p>Viability of Gender Bonds in SSA This landscape analysis and feasibility assessment was commissioned by UN Women and FSD Africa to enable them to better understand: i) the global gender bond market: how a gender bond is defined, the reference standards available, best practices and bonds issued to date; and ii) the viability of supporting a corporate gender bond issuance in sub-Saharan Africa.</p>
September 10, 2020	Network for Greening the Financial System	<p>NGFS Promotes Environmental Risk Analysis in Financial Industry The <i>Overview of Environmental Risk Analysis by Financial Institutions</i> provides wide-ranging examples of how environmental risks translate into financial risks, and an in-depth review of the tools and methodologies for ERA used by financial institutions including banks, asset managers and insurance companies. The NGFS Occasional Paper <i>Case Studies of Environmental Risk Analysis Methodologies</i> presents a more detailed and in-depth discussion of the tools and methodologies for ERA through case studies conducted by over 30 organizations. This paper aims to inform the financial community of the ERA methodologies and inspire interested institutions to further develop or enhance them.</p>

Industry

Date	Organization	Title & Abstract
August 31, 2020	Geneva Association	<p>The Role of Insurance in Mitigating Social Inequality: Research Report This report outlines how insurance can alleviate social inequality by covering exposures that may push middle-class individuals and families into poverty or exacerbate existing financial hardship.</p>