

Agenda

CFS Level 2 – Supervising Financial Conglomerates

August 26-30, 2024

Virtual, Canada



PROGRAM DESCRIPTION

This virtual program is designed to enhance financial supervisors' understanding of the practice of cross-sector and cross-border supervision for effective oversight of conglomerate groups. It goes beyond theoretical concepts and provide practical approaches in conglomerate group supervision, supervisory intervention and crisis coordination.

PROGRAM OBJECTIVES

Using case studies, lectures and group discussions, participants will be better equipped to understand, in the context of supervising a conglomerate group:

- What are conglomerates and how are groups organized across sectors and borders?
- Risks and supervisory challenges posed by conglomerate groups; and
- Supervisory approaches to cross-sector and cross border groups including:
 - (i) Home-host engagement and supervisory colleges
 - (ii) Information sharing to facilitate cross-sector and cross-border supervision
 - (iii) Supervisory powers and tools available to supervisors.

METHODOLOGY

It is more complicated to supervise a conglomerate group whose total risk is not a simple addition of the risks of individual entities. Participants can learn through group activities and case studies how to assess and supervise conglomerate group risks. Participants will also understand the considerations for supervisory colleges and the communications skill in home-host crisis coordination for a conglomerate group. This program utilizes Toronto Centre's proven interactive approach to learning by extensive use of group activities and case studies.

WHO SHOULD ATTEND?

This program is designed for senior and mid-level officials in financial supervisory authorities who supervise and regulate the banking, securities, insurance sectors and/or financial conglomerates who have span of control cross-sector and/or cross-border.

This program is one of the Level 2 modules for participants pursuing the Toronto Centre's Certified Financial Supervisor (CFS) certification. It is also open to participants who are not pursuing the CFS certification. Daily quizzes and an examination will be administered during the program for all participants.

Virtual Orientation Session – Thursday, August 22 (EDT)

08:00	Welcome, CFS Level 2 Program Structure and Conglomerate Supervision Program Overview <i>Toronto Centre team</i>
08:15	Live Demo to TC Programs Platform (TCPP) <i>Program Coordinator</i>
08:30	Brief on Exam on Day 5 of the Program <i>Program Director</i> This session will focus on the following: <ul style="list-style-type: none">• Briefing on exam case study.• Briefing on exam structure and timings (3 sections).
09:00	Live Demo on Quizzes and Exam (on TCPP) <i>Project Coordinator</i>
09:30	END OF VIRTUAL ORIENTATION SESSION

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Day 1 - Monday, August 26 (EDT)

06:00	<p>Welcome and Introduction</p> <p><i>Program Director</i></p> <ul style="list-style-type: none">• Introduction to the program & context for change.• Group photograph.
06:15	<p>Session 1: Overview of Conglomerate Supervision</p> <p><i>Program Leader</i></p> <p>This session will focus on the following:</p> <ul style="list-style-type: none">• What are conglomerate groups and their different structures.• How firms are organized across sectors and across borders.• Risks and challenges that arise from the different conglomerate group structures.• Importance of cross-sector and cross-border supervision.• Supervisory powers to facilitate conglomerate supervision.• Importance of home-host supervisory coordination, supervisory colleges and crisis-coordination efforts.
07:30	<p>BREAK</p>
07:45	<p>Session 2: Cross-Sector Supervision</p> <p><i>Program Leader</i></p> <p>This session will focus on the following:</p> <ul style="list-style-type: none">• Range of mandates – prudential, conduct, financial inclusion and financial crime and how these can be reconciled.

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	<ul style="list-style-type: none">• Risks arising out of cross sector and cross border organizational structures.• Risks resulting from differences in supervisory coverage or approaches.• The need for coordinated supervision.• Organizing the structure, leadership and supervision framework.• Supervisory powers and intervention tools.• Supervisory coordination between sector supervisors.
09:00	BREAK
09:15	Session 3: Case Study – Financial Conglomerate <i>Program Leader</i> This session will focus on the application of cross-sector supervision within a financial conglomerate.
10:45- 11:00	END OF DAY EVALUATION RELEASE OF QUIZ QUESTIONS

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Day 2 - Tuesday, August 27 (EDT)

06:00	Summary of Previous Day – Ideas I will use <i>Program Director</i>
06:30	Session 4: Cross-Border Supervision <i>Program Leader</i> This session will focus on the following: <ul style="list-style-type: none">• Objectives of group-wide consolidated supervision involving cross-border structures.• How firms organize themselves cross-border and their risk/implications, for example, holding companies, branches, subsidiaries, conglomerates that are both cross-border and cross-sector.• Conglomerates that are both cross-border and cross-sector.• Risks and issues arising out of cross-border and cross-sector operations.
07:30	BREAK
07:45	Session 4 (cont'd): Cross-Border Supervision <i>Program Leader</i> This session will continue with the following: <ul style="list-style-type: none">• Importance of home-host supervisory coordination, supervisory colleges and crisis preparation.• The availability and limitations of supervisory intervention powers in a cross-border context.

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08:30	Session 5: Case Study – Financial Conglomerate <i>Program Leader</i> This session will focus on the application of cross-border supervision within a financial conglomerate.
09:15	BREAK
09:30	Session 5 (cont'd): Case Study – Financial Conglomerate <i>Program Leader</i>
10:45- 11:00	END OF DAY EVALUATION RELEASE OF QUIZ QUESTIONS

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Day 3 - Wednesday, August 28 (EDT)

06:00	Summary of Previous Day – Ideas I will use <i>Program Director</i>
06:30	Session 6: Supervisory Considerations in Dealing with Unregulated, Under-regulated or Differently Regulated Activities within a Conglomerate <i>Program Leader</i> This session will focus on the following: <ul style="list-style-type: none">• Risk implications of ‘dark corners’ - unregulated, under-regulated or differently regulated activities within a financial conglomerate.• ‘Step-in’ risk where the parent decides to support group entities even where there is no legal obligation or no contractual obligation to do so.• Regulatory considerations to implement anti-commingling and other measures (e.g. intra-group risks, limited supervisory interventions).
07:45	BREAK
08:00	Session 7: Case Study – Financial Conglomerate <i>Program Leader</i>
09:30	BREAK

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09:45	<p>Session 8: Information Sharing for Effective Supervision of Conglomerate Group</p> <p><i>Program Leader</i></p> <p>This session will focus on the following:</p> <ul style="list-style-type: none">• Type of information to support assessment of whether group structures are a source of strength or weakness to component banks (for example, liquidity management, solvency support).• Addressing confidentiality arrangements.• Addressing disparities in reporting requirements or standards cross-border (for example, different accounting standards or capital definitions).• Information sharing arrangements such as Memoranda of Understanding.
10:45 – 11:00	<p>END OF DAY EVALUATION</p> <p>RELEASE OF QUIZ QUESTIONS</p>

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Day 4 – Thursday, August 29 (EDT)

06:00	Summary of Previous Day – Ideas I will use <i>Program Director</i>
06:30	Session 9: Home-host Engagements in Conglomerate Supervision <i>Program Leader</i> This session will focus on the following: <ul style="list-style-type: none">• Types of conglomerates that impact the type of home-host regulatory engagement.• Authorisation / licensing involving host supervisor's reliance on home supervisor's support.
07:45	BREAK
08:00	Session 9 (cont'd): Home-host Engagements in Conglomerate Supervision <i>Program Leader</i> This session will continue the following: <ul style="list-style-type: none">• Supervisory colleges which include discussions on recovery and resolution plans, home-host coordination in planning for crisis situations.
08:45	Session 10: Role Play using a Case Study on Supervisory College <i>Program Leader</i>

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	This session will focus on setting up and running a supervisory college for a financial conglomerate.
09:30	BREAK
09:45	Session 10 (cont'd): Role Play using a Case Study on Supervisory College <i>Program Leader</i>
10:45 – 11:00	END OF DAY EVALUATION RELEASE OF QUIZ QUESTIONS

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Day 5 – Friday, August 30 (EDT)

06:00	Summary of Previous Day – Ideas I will use <i>Program Director</i>
06:30	CFS Exam Part I: MCQs <i>Program Director</i> MCQs on topics covered in this program.
07:15	BREAK
07:30	CFS Exam Part II: Mini Case Study Section A <i>Program Director</i>
09:00	BREAK
09:15	CFS Exam Part III: Mini Case Study Section B <i>Program Director</i>
10:45- 11:00	Closing Ceremony <i>Program Director</i> Final evaluation and presentation of certificates.