

Federal financial institutions legislative and regulatory reporter – August 2021

September 10, 2021

The Reporter provides a monthly summary of Canadian federal legislative and regulatory developments of relevance to federally regulated financial institutions. It does not cover purely technical and administrative changes (such as changes to reporting forms).

August 2021

Institution	Published	Title and Brief Summary	Status
OSFI			
	August 13, 2021	<p>OSFI Issues Updated Requirements for Technology and Cyber Incident Reporting And New Cyber Self-Assessment</p> <p>The Office of the Superintendent of Financial Institutions (OSFI) released updated requirements governing how federally regulated financial institutions (FRFIs) should disclose and report technology and cyber security incidents to</p>	

		<p>OSFI.</p> <p>The updated Technology and Cyber Security Incident Reporting Advisory supports a coordinated and integrated response to technology and cyber security incidents when they occur at FRFIs.</p> <p>Separately, OSFI also released an updated Cyber Security Self-Assessment that helps FRFIs gauge and improve their current state of readiness in the face of emerging and expanding cyber threats.</p>	
	<p>August 13, 2021</p>	<p>Revisions to Public Disclosure Requirement Related to The Identification of Global Systemically Important Banks</p> <p>OSFI is releasing the final revisions to its Advisory: <i>“Global systemically important banks – Public disclosure requirements”</i> published in September 2015.</p> <p>In July 2018, the Basel Committee on Banking Supervision (BCBS) released an updated assessment methodology that is used annually by the BCBS and the Financial Stability</p>	

		<p>Board (FSB) to identify global systemically important banks (G-SIBs). The updated assessment methodology will take effect for the 2022 G-SIB assessment exercise.</p> <p>The revised Advisory addresses changes to the disclosure requirements included in the updated assessment methodology, specifically the new Trading Volume indicator and the inclusion of insurance activities for certain existing G-SIB indicators. The revised Advisory also provides additional guidance on the availability of publicly disclosed G-SIB indicators and the nature of qualitative information to accompany the disclosure requirements.</p> <p>Questions regarding the Advisory may be addressed to Lindsay Cheung, Senior Analyst, Capital Division, by email at lindsay.cheung@osfi-bsif.gc.ca.</p>	
	<p>August 13, 2021</p>	<p>Memoranda to the Appointed Actuary (Life Insurance and Property and Casualty Insurance)</p>	

		<p>OSFI's Memoranda to the Appointed Actuary (Life Insurance and Property and Casualty Insurance) 2021 has now been posted on OSFI's website.</p>	
	<p>August 12,, 2021</p>	<p>OSFI Adjusts Temporary Exclusions from Leverage Ratio Exposure Measures (Takes Effect at End of 2021).</p> <p>OSFI has confirmed that the exclusion of sovereign-issued securities from the leverage ratio exposure measure for deposit-taking institutions (DTIs), introduced at the outset of the COVID-19 pandemic, will not be extended past December 31, 2021. Central bank reserves will continue to be excluded from the leverage ratio exposure measure for DTIs.</p> <p>The decision to allow the temporary exclusion of sovereign-issued securities to expire is in line with previous OSFI decisions to discontinue other temporary relief measures introduced in response to COVID-19 when they are no longer credible, consistent, necessary and fit-for-purpose in</p>	

		<p>the Canadian context. OSFI will closely monitor conditions and remains ready to take any further action, including the unwinding of other temporary measures, as required.</p>	
	<p>August 5, 2021</p>	<p>Draft Pillar 3 Disclosure Guideline 2023 for SMSBs</p> <p>Continuing its initiative to develop tailored requirements that account for the unique nature of Canadian Small and Medium-sized banks (SMSBs), OSFI is issuing for Public Consultation the <i>Draft Pillar 3 Disclosure Guideline for SMSBs</i>.</p> <p>The Draft Guideline lists the disclosures required by SMSBs and their respective implementation dates. OSFI will include the detailed tables and templates in the final Guideline.</p> <p>Questions and comments should be addressed to Javinder Sidhu, Accounting Policy Division, at Javinder.Sidhu@osfi-bsif.gc.ca by September 29, 2021. A non-attributed summary of comments received, along with OSFI's responses, will be posted on OSFI's website when the final version of the guideline</p>	<p>Effective November 1, 2022. Questions and comments by September 29, 2021.</p>

		is released. Effective November 1, 2022. Questions and comments by September 29, 2021.	
IAIS			
	August 30, 2021	<p>IAIS Publishes Application Paper on Macroprudential Supervision</p> <p>Following public consultation that ended earlier this year, the Application Paper on Macroprudential Supervision was adopted by the IAIS Executive Committee. The Application Paper provides further guidance on the supervisory material related to macroprudential supervision in Insurance Core Principle 24. The outcome of the public consultation can be accessed on the IAIS website – Closed Consultations page.</p>	
FSB			
	August 20, 2021	<p>Continuity of Access to FMIs for Firms in Resolution: Streamlined Information Collection to Support Resolution Planning (Revised Version 2021)</p> <p>This questionnaire updates the previous questionnaire for FMIs,</p>	

		<p>which was published in August 2020. It has been revised following an evaluation of stakeholders' first experiences with the process via an online survey in April 2021. While a large majority of respondents (from various perspectives) indicated that the questionnaire template was useful, a number of suggestions were also made. To the extent feasible, these have been incorporated as clarifications or amendments to the introductory section. No major changes have been made to the questionnaire itself – this keeps the burden for FMIs low when they next update their responses.</p> <p>The questionnaire was developed in consultation with FMIs, FMI participants and FMI oversight authorities. It covers general information on the FMI and its legal structure; (the rulebook/contractual provisions regarding termination; and arrangements and operational processes to facilitate continued access in resolution. It is designed to reduce the burden of duplicative information-gathering efforts by streamlining the</p>	
--	--	--	--

		<p>collection of certain baseline information relevant to continuity of access in resolution. The questionnaire aims to reduce the “many to one” nature of inquiries from FMI participants and authorities to FMIs for resolution planning and streamline the provision of this information from FMIs to firms and authorities through the use of a common template.</p> <p>All FMIs are encouraged to complete the questionnaire and to publish their responses, or to make them available in other ways to FMI service users and resolution authorities to inform their resolution planning.</p> <p>The FSB emphasizes that if an FMI chooses not to complete the questionnaire, it should be prepared to respond to its clients’ (and their resolution authorities’) information requests within reasonable deadlines as mutually agreed.</p>	
FSB	August 20, 2021	<p><u>Continuity of Access to FMIs Services (FMI Intermediaries) for Firms in Resolution: Framework for Information from FMI Intermediaries to Support Resolution</u></p>	

		<p>Planning</p> <p>In 2017, the FSB published its <i>Guidance on Continuity of Access to Financial Market Infrastructures for a Firm in Resolution</i>. The Guidance sets out arrangements and safeguards to facilitate continuity of access to FMI services for a firm in resolution with a view to maintaining the firm’s critical functions that rely on the continued access to FMI services. As part of implementing the Guidance, authorities and firms (as FMI service users) develop plans to facilitate continuity of access in resolution. This requires information about the nature of the FMI service user’s relationship with both FMIs and FMI intermediaries on the arrangements and safeguards that would affect an FMI service user’s access to FMI services in the run-up to, and during, its resolution.</p> <p>The framework set out in this document seeks to help FMI intermediaries better understand which information clients and their RAs may need from them. It does so by providing an overview of the</p>	
--	--	---	--

		<p>baseline information that is potentially relevant for clients and RAs, which they and FMI intermediaries can then discuss, as needed, in their bilateral engagement. Thus, the framework makes it more predictable for FMI intermediaries which topics could be part of information requests from their clients and/or from their clients' RAs. This could potentially allow them to identify opportunities to streamline their response process, reducing the resources required to provide this information.</p> <p>As part of their outreach, the FSB will host a webinar for stakeholders on this Framework on September 16, 2021. Representatives of FMI service providers, FMI service users and authorities who would like to attend should contact fsb@fsb.org for more details.</p>	
FSB	August 18, 2021	<p>Public Responses to Consultation on Policy Proposals to Enhance Money Market Fund Resilience</p> <p>On 30 June 2021, the Financial Stability Board (FSB) published <i>Policy proposals to enhance money</i></p>	

		<p><i>market fund resilience: Consultation Report.</i> Interested parties were invited to provide written comments by August 16, 2021. The public comments received are now available. The FSB expects to publish the final policy proposals in October 2021.</p>	
<p>Legislation</p>			
<p>Canada Gazette, Part I, Volume 155, Number 34</p>	<p>August 18, 2021</p>	<p>Notice of Designation to the Canadian Payments Association</p> <p>The Canadian Payments Association (Payments Canada) operates Lynx, Canada’s modernized wholesale payment system, which will be used for settling transactions from other financial market infrastructures, reinforcing the Bank of Canada’s policy interest rate and processing high-value payments in the country. Lynx is a system eligible to be designated under the Act since it has at least three participants (at least one of which is a Canadian participant and at least one of which has its head office in a jurisdiction other than Ontario, where the Payments Canada head office is located), clearing and settlement are all</p>	

		<p>conducted in Canadian dollars, and payment obligations that arise from the system are ultimately settled through adjustments to the accounts of participants at the Bank of Canada.</p> <p>Pursuant to this Notice, the Governor of Bank of Canada expresses the opinion that Lynx could be operated in such a manner as to pose systemic risk and therefore should be designated as subject to Part I of the Act. The Minister of Finance is of the opinion that it would be in the public interest to designate Lynx.</p> <p>Accordingly, Lynx is hereby designated as a system that is subject to Part I of the <i>Payment Clearing and Settlement Act</i>, effective as of the day that Lynx commences operations.</p>	
<p>Canada Gazette, Part II, Volume 155, Number 17</p>	<p>August 5, 2021</p>	<p>Canadian Payments Association By-law No. 9 — Lynx: SOR/2021-182</p> <p>The Board of Directors of the Canadian Payments Association, pursuant to subsection 18(1) of the Canadian Payments Act makes the annexed Canadian Payments Association By-law No. 9 — Lynx.</p>	

<p>Canada Gazette, Part II, Volume 155, Number 17</p>	<p>August 4, 2021</p>	<p>Financial Consumer Protection Framework Regulations: SOR/2021-181</p> <p>Regulations to support the coming into force of the new legislative framework, being the Financial Consumer Protection Framework in the Bank Act, have been published in the Canada Gazette</p>	
---	-----------------------	--	--

Disclaimer

This Reporter is prepared as a service for our clients. It is not intended to be a complete statement of the law or an opinion on any subject. Although we endeavour to ensure its accuracy, no one should act upon it without a thorough examination of the law after the facts of a specific situation are considered.

By

[Cindy Y. Zhang](#), [Donna Spagnolo](#)

Expertise

[Banking & Financial Services](#), [Financial Services](#), [Banking](#), [Financial Services Regulatory](#), [Insurance](#)

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.