

Federal Financial Institutions Legislative And Regulatory Reporter

May 01, 2017

The Reporter provides a monthly summary of Canadian federal legislative and regulatory developments of relevance to federally regulated financial institutions.

The Reporter provides a monthly summary of Canadian federal legislative and regulatory developments of relevance to federally regulated financial institutions. It does not address Canadian provincial financial services legislative and regulatory developments, although this information is tracked by BLG and can be provided on request. In addition, purely technical and administrative changes (such as changes to reporting forms) are not covered.

March 2017

Institution	Published	Title and Brief Summary	Status
Bank for International Settlements	<u>Published</u> <u>March 30, 2017</u>	<u>Global systemically important banks — revised assessment framework — consultative document</u> The Committee has completed its review and is consulting on the following modifications to the framework: <ul style="list-style-type: none">• Removal of the cap on the substitutability category;• Expansion of the scope of consolidation to include insurance	Comments should be provided by June 30, 2017

		<ul style="list-style-type: none"> subsidiaries; Amendments to the definition of cross-jurisdictional activity; Modification of the weights in the substitutability category and introduction of a trading volume indicator; Revisions to the disclosure requirements; Further guidance on bucket migration and the associated surcharge; and A proposed transition schedule. 	
Bank for International Settlements	<u>Published</u> <u>March 29, 2017</u>	<u>Regulatory treatment of accounting provisions-interim approach and transitional arrangements</u> The Basel Committee on Banking Supervision released details of the interim regulatory treatment of accounting provisions and standards for transitional arrangements.	Final version
Bank for International Settlements	<u>Published</u> <u>March 29, 2017</u>	<u>Pillar 3 disclosure requirements — consolidated and enhanced framework</u> The Pillar 3 disclosure framework seeks to promote market discipline through regulatory disclosure requirements. The enhancements in the standard contain three	Final version

		<p>main elements:</p> <ul style="list-style-type: none"> • Consolidation of all existing Basel Committee disclosure requirements into the Pillar 3 framework. • Introduction of a "dashboard" of banks' key prudential metrics • Updates to reflect ongoing reforms to the regulatory framework. 	
FINTRAC	Published March 23, 2017	<p>Guidance on Amendments to regulations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)</p> <p>This guidance provides information about changes related to:</p> <ul style="list-style-type: none"> • signature • signature card • definitions • elements that must be considered in your risk assessment: • records you must keep of "reasonable measures" that you have taken (in force June 2017) 	
OSFI [Applicable to Life Insurance Companies]	<u>Published</u> March 20, 2017	Deferral of IFRS 9 Application for Federally Regulated Life Insurers	Until January 1st, 2021

		<p>This allows life insurers to adopt both IFRS 9 and the new <i>IFRS 4 — Insurance Contracts Standard</i> simultaneously.</p>	
Bank for International Settlements	<p><u>Published</u> March 15, 2017</p>	<p><u>Identification and management of step-in risk — second consultative document</u></p> <p>The proposed guidelines define the step-in risk that is potentially embedded in banks' relationships with unconsolidated entities. The framework leverages existing prudential tools by informing or supplementing them.</p>	Comments should be provided by May 15, 2017
Financial Stability Board (FSB)	<p><u>Published</u> March 13, 2017</p>	<p><u>Proposed governance arrangements for the unique transaction identifier (UTI)</u></p> <p>The consultation document identifies key criteria for the UTI governance arrangements and the rationale for a number of those criteria; identifies UTI governance functions to be performed, including a mapping of those functions into three broad areas of governance; proposes the allocation of some functions to specific bodies; and identifies options for the allocation of some other functions.</p>	Comments should be provided by May 5, 2017
Finance	<p>Published (Gazette) — March 8, 2017</p>	<p><u>By-law Amending the Canada Deposit Insurance Corporation Differential Premiums By-law, SOR/2017-22</u></p> <ul style="list-style-type: none"> • Target Tier 1 capital ratio to be 	Effective

		<ul style="list-style-type: none"> reported by CDIC member institutions • Updates to the Three-Year Moving Average Asset Growth Ratio 	
OSFI [Applicable to Banks, Bank Holding Companies, Trust and Loan Companies, Co-operative Retail Association]	Published March 6, 2017	<p>OSFI's Implementation timeline for the Net Stable Funding Ratio (NSFR)</p> <p>The Committee's proposed NSFR standard requires banks to maintain a stable funding profile relative to the composition of their assets and off-balance sheet activities.</p>	To extend the domestic implementation timeline of the NSFR to January 2019

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

Jeffrey S. Graham

Expertise

Banking & Financial Services, Financial Services, Energy - Oil & Gas Regulatory

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.