Federal Financial Institutions Legislative And Regulatory Reporter — April 2018

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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.

April 2018

Institution	Published	Title and Brief Summary	Status
Financial Stability Board ("FSB")	April 26, 2018	Governance arrangements for the unique product identifier ("UPI"): second consultation document This consultation document sets out proposed governance arrangements for a global unique product identifier ("UPI") designed to facilitate effective aggregation of transaction reports about over-the-counter ("OTC") derivatives markets. The primary purpose of the UPI is to identify the product that is the subject of an OTC derivatives transaction. This would	Comments should be provided by May 28, 2018.

		allow authorities to aggregate trade reporting data not only to consider institution-specific risks but also to consider system-wide risks.	
Finance	April 18, 2018 (Gazette)	*Bank Recapitalization (Bail-in) Conversion Regulations*, SOR/2018-57; *Bank Recapitalization (Bail-in) Issuance Regulations*, SOR/2018-58; and *Compensation Regulations*, SOR/2018-59 1. The *Bank Recapitalization (Bail-in) Conversion Regulations* ("Bail-in Conversion Regulations") set out the scope of liabilities of domestic systemically important banks that would be eligible for a bail-in conversion and conversion terms if a bail-in were to be executed. 2. The *Bank Recapitalization (Bail-in) Issuance Regulations*("Bail-in Issuance Regulations") set out requirements that domestic systemically important banks would have to follow when issuing bail-in eligible instruments.	Effective September 23, 2018

		3. The *Compensation Regulations* set out an updated process for providing compensation to shareholders and creditors of CDIC federal member institutions if they are made worse off as a result of CDIC's actions to resolve the institution (including through bail-in) than they would have been if the institution were liquidated. The Bail-in Conversion Regulations and the Bail-in Issuance Regulations apply only to systemically important banks; however, the *Compensation Regulations* apply to all CDIC federal member institutions.	
OSFI [Domestic Systemically Important Banks ("D-SIBs")]	April 18, 2018	Final Total Loss Absorbing Capacity ("TLAC") guideline for Canada's domestic systemically important banks TLAC requirements are designed to ensure a D-SIB has sufficient loss absorbing capacity to support its recapitalization in the unlikely event of a failure.	Effective September 23, 2018

OSFI [Banks Bank Holding Companies Federally Regulated Trust and Loan Companies Cooperative Retail Associations]	April 18, 2018	Changes to Guideline A – Capital Adequacy Requirements ("CAR") The changes to the CAR guideline, which consist primarily of revisions to Chapter 2, implement the amendments to Basel III. OSFI has further determined that it is appropriate to extend the Basel III treatment to holdings of Other TLAC instruments issued by Canadian domestic systemically important banks ("D-SIBs").	Effective Changes relating to holdings of Other TLAC instruments effective in Q1 2019.

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