Federal Financial Institutions Legislative and Regulatory Reporter — February 2018

March 28, 2018

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.

February 2018

Institution	Published	Title and Brief Summary	Status
Bank for International Settlements	February 27, 2018	Consultative Document: Pillar 3 disclosure requirements - updated framework The proposals include new or revised disclosure requirements: • for credit risk (including provisions for prudential treatment of assets), operational risk, the leverage ratio and credit valuation adjustment ("CVA"); • that would benchmark a bank's risk-	Comments should be provided by **May 25, 2018**.

		weighted assets ("RWA") as calculated by its internal models with RWA calculated according to the standardized approaches; and • that provide an overview of risk management, key prudential metrics and RWA. Moreover, it proposes new disclosure requirements on asset encumbrance and capital distribution constraints.	
Payments Canada	February 24, 2018	<u>Payments Canada: Changes to Our Rules and Standards</u> The following amendments were approved by Payments Canada's board of directors and the Department of Finance: • New ACSS Rule L3 — Collateral to provide for the procedures and methodologies for: o The initial establishment of a collateral pool and collateral pool pledge of each direct	Effective

		clearer, and the monthly recalibrations of the collateral pool size and collateral pool pledges to account for changes to value being cleared and settled through ACSS; o The recalculation of the collateral pool pledge of each direct clearer upon a default or the withdrawal of a direct clearer; and o The calculation of the collateral pool pledge of a new direct clearer.	

		• ACSS Rule L1 amendments to provide for: o The methodology for calculating default and additional contributions of surviving direct clearers; o The process for making such contributions. • ACSS Rule B1 — amendments to incorporate into the Rules the current time at which settlement will be effected (note that there is no change to the current settlement time).	
OSFI [Banks, Bank Holding Companies, Federally Regulated Trust and Loan Companies, Cooperative Retail Associations]	February 6, 2017	OSFI's Implementation Timeline for the Net Stable Funding Ratio("NSFR") Based on implementation progress at the international level, OSFI has determined that it will target a revised NSFR implementation date for Canadian deposit-taking	Effective **January 2020**.

		institutions. Relevant areas of the Liquidity Adequacy Requirements ("LAR") Guideline have been updated to reflect the domestic NSFR implementation delay. Until OSFI begins its public consultation process on the NSFR rules and issues a draft guideline for comment, the LAR Guideline will continue to contain placeholder text reflecting OSFI's commitment to implement the NSFR standard in Canada.	

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.

To view the Reporter for previous months, please visit our Banking and Financial Services publications page.

By

Jeffrey S. Graham

Expertise

Banking & Financial Services, Financial Services

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.