Federal Financial Institutions Legislative And Regulatory Reporter

April 06, 2016

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 2016

Institution	Published	Title and Brief Summary	Status
OSFI [Applicable to banks, trust and loan companies, cooperative credit associations and insurance companies]	Issued February 29, 2016	E-22 Margin Requirements for Non-Centrally Cleared Derivatives OSFI is issuing the final version of Guideline E-22, which requires the exchange of margin to secure performance on non-centrally cleared derivatives transactions between covered entities. These margin requirements will mitigate systemic risk in the financial sector as well as promote central clearing of derivatives where practicable. The provisions of this Guideline are consistent with margin requirements	Effective September 1, 2016

		issued by the Basel Committee on Banking Supervision (BCBS) and the Board of the International Organization of Securities Commissions (IOSCO) and support the financial stability objectives of the international framework.. OSFI recognizes the cross-border nature of the non-centrally cleared derivatives market, and supports efforts to reduce the application of duplicative or conflicting margin requirements. The Guideline therefore permits deference to other jurisdictions and regulators when justified by the quality and comparability of the respective regulatory regime.	
BIS/Basel [Applicable to banks]	Published February 4, 2016	General guide to account opening The Basel Committee deems it worthwhile to issue this guide as an annex to the guidelines on the sound management of risks related to money laundering and financing of terrorism, which was first published in January 2014. These guidelines revised, updated and merged two previous publications of the Basel Committee, issued in 2001 and 2004. The revised version of the General guide to account opening and customer identification takes into	Effective

		account the significant enhancements to the Financial Action Task Force (FATF) Recommendations and related guidance. In particular, it builds on the FATF Recommendations, as well as on two supplementary FATF publications specifically relevant for this guide: Guidance for a risk-based approach: The banking sector and Transparency and beneficial ownership, both issued in October 2014..	
Finance	Published (Gazette) – February 10, 2016	Regulations Amending the Eligible Mortgage Loan Regulations Regulations Amending the Insurable Housing Loan Regulations The Objectives of the Amendments are as follow: • Prohibit the use of taxpayer-backed insured mortgages as collateral in securitization vehicles that are not sponsored by CMHC. • Restore lender use of government-backed portfolio insurance to its original purpose — funding through CMHC securitization programs.	Various dates of coming into force

		• Provide a transition for affected lenders to adjust to these measures in a gradual and orderly way. • Change the eligibility rules for new government-backed insured mortgages, affecting new purchases of insured properties priced above $500,000. Effective February 15, 2016, the minimum down payment for new insured mortgages will be increased from 5% to 10% for the portion of the house price above $500,000.	
Bank of Canada	Issued February 1, 2016	Criteria and Risk-Management Standards for Prominent Payment Systems. The criteria and risk-management standards exercise the Bank of Canada's new responsibility for identifying and overseeing payments systems that have the potential to pose payments system risk. The Bank is currently using the criteria to identify systems that may pose payments system risk and will provide public notice of any system that	Effective

		will be designated for oversight. The Bank has also published summaries of, and responses to, comments received through the consultation process initiated in June 2015 regarding the new criteria and risk-management standards for prominent payment systems:Consultations on the Criteria and Risk-Management Standards for Prominent Payment Systems: Summary and Responses to Comments Received.	

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By

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