Federal Financial Institutions Legislative and Regulatory Reporter — January 2019

February 19, 2019

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.

January

Institution	Published	Title and Brief Summary	Status
OSFI [Banks, Foreign Bank Branches, Bank Holding Companies, Trust and Loan Companies, Cooperative Retail Associations, Life Insurance Companies, Property and Casualty Insurance Companies, Insurance Holding Companies]	January 24, 2019	Technology and Cyber Security Incident Reporting The advisory *Technology and Cyber Security Incident Reporting* sets out OSFI's expectations for federally regulated financial institutions (FRFIs) with respect to the reporting of technology and cybersecurity incidents affecting FRFI operations. The advisory describes characteristics of incidents that should be reported to OSFI, in addition to initial notification and subsequent reporting	Effective on March 31, 2019.

		requirements. This Advisory will supersede any prior instructions for technology and cybersecurity incident reporting. In the meantime, FRFIs are expected to continue reporting any major incidents according to previous instructions communicated by their Lead Supervisors.	
FINTRAC	January 18, 2019	What is a suspicious transaction report?, Reporting suspicious transactions to FINTRAC, Money laundering and terrorist financing indicators When there are reasonable grounds to suspect that a transaction or an attempted transaction is related to the commission or attempted commission of a money laundering (ML) or terrorist financing (TF) offence, individuals and entities must submit a suspicious transaction report (STR). These STR guidance pieces provide a detailed explanation of the requirements and all three should be read in conjunction with each other. *What is a suspicious transaction report?* explains the value of STRs to FINTRAC and explains the steps that can be taken to determine if there are reasonable grounds to suspect that a	Effective

		transaction is related to ML or TF. *Reporting suspicious transactions to FINTRAC* explains in detail the steps that need to be taken in order to submit STRs to FINTRAC. This guidance includes details on how to complete the narrative section of an STR as well as highlights common problems to avoid. The STR guidance pieces replace, respectively, *Guideline 2: Suspicious transactions*, *Guideline 3A: Submitting Suspicious Transaction Reports to FINTRAC electronically* and *Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by paper.*	
BIS	January 14, 2019	Minimum capital requirements for market risk The January 2016 standard has been revised to address issues that the Basel Committee identified in the course of monitoring the implementation and impact of the framework. Revisions include the following key changes: • a simplified standardized approach for use by banks that have small or	Effective on January 1, 2022.

		non-complex trading portfolios; • clarifications on the scope of exposures that are subject to market risk capital requirements; • refined standardized approach treatments of foreign exchange risk and index instruments; • revised standardized approach risk weights applicable to general interest rate risk, foreign exchange and certain exposures subject to credit spread risk; • revisions to the assessment process to determine whether a bank's internal risk management models appropriately reflect the risks of individual trading desks; and • revisions to the requirements for identification of risk factors that are eligible for internal modelling.	

Finance Canada	January 11, 2019	A Review into the Merits of Open Banking: Consultation document This paper seeks stakeholder views on the following questions: • Would open banking provide meaningful benefits to and improve outcomes for Canadians? In what ways? • In order for Canadians to feel confident in an open banking system, how should risks related to consumer protection, privacy, cybersecurity and financial stability be managed? • If you are of the view that Canada should move forward with implementing an open banking system, what role and steps are appropriate for the federal government to take in the implementation of open banking?	Comments should be provided by February 11, 2019.

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accuracy, no one should act upon it without a thorough examination of the law after the facts of a specific situation are considered.

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