Federal Financial Institutions Legislative And Regulatory Reporter — April 2019

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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

Institution	Published	Title and Brief Summary	Status
OSFI [Banks,Bank Holding Companies, Federally Regulated Trust and Loan Companies]	April 11, 2019	Revised Liquidity Adequacy Requirements guideline The Office of the Superintendent of Financial Institutions (OSFI) released final revisions to its Liquidity Adequacy Requirements (LAR) guideline. The revised guideline will help financial institutions enhance their resiliency to short-term liquidity stresses, and will ensure that they maintain stable funding profile over the longer-term.	Effective January 1, 2020.

OSFI [Domestic Systemically Important Banks (D-SIBs)]	April 11, 2019	Net Stable Funding Ratio Disclosure Requirements The Office of the Superintendent of Financial Institutions (OSFI) is issuing the final version of the *Net Stable Funding Ratio Disclosure Requirements* Guideline. This guideline sets out the NSFR disclosure requirements for Domestic Systemically Important Banks (D-SIBs). This follows a public consultation in February 2019.	Effective with the quarterly reporting period ending January 31, 2021.
OSFI Domestic Systemically Important Banks (D-SIBs)]	April 10, 2019	Final Guideline B-2: Large Exposure Limits for D-SIBs The Office of the Superintendent of Financial Institutions (OSFI) released the final version of its Guideline B-2:*Large Exposure Limits for Domestic Systemically Important Banks*. Large exposure limits help to constrain the maximum loss an institution could face in the event of a sudden failure of a counterparty. The guideline reflects current sound practices for the management of risks related to large exposures and provides additional guidance on methods OSFI expects D-SIBs to use for identifying, measuring, managing and monitoring risks in this area.	Effective November 1, 2019.

		Parts of this guideline are drawn from the Basel Committee on Banking Supervision large exposure framework entitled:Supervisory framework for measuring and controlling large exposures. This new version of Guideline B-2: • Introduces tighter limits for exposures to both Global Systemically Important Banks and to other Canadian D-SIBs. • Recognizes eligible credit risk mitigation techniques by measuring exposure on a net basis rather than a gross basis. • Reduces the eligible capital base from Total capital to Tier 1 capital.	
Bank for International Settlements	April 9, 2019	Consolidated Basel Framework The Basel Committee on Banking Supervision has launched a new section of its website that sets out a consolidated version of its global standards for the regulation and supervision of banks. The consolidated framework aims to improve the accessibility of the Basel Committee's standards and to promote consistent	Comments should be submitted by **August 9, 2019**.

		global interpretation and implementation. The framework has been published initially in draft form, together with a consultative document to gather feedback on the website and on various proposed technical amendments to the standards.	
Finance Canada	April 8, 2019	Bill C-97, *Budget Implementation Act, 2019, No. 1*, was introduced on April 8, 2019. It provides for the following: • Part 4, Division I, Subdivision A amends the *Bank Act* to, among other things, provide members of federal credit unions with different methods of voting prior to meetings and provide additional exceptions to the requirement that a proxy circular be sent in order to solicit proxies. The Subdivision also makes a technical amendment to *An Act to amend certain Acts in relation to financial institutions*. (These amendments will come into force upon Royal Assent.) • Part 4, Division I, Subdivision	

		B amends the *Canadian Payments Act* to allow the term of the elected directors of the Board of Directors of the Canadian Payments Association to be renewed twice, to extend the term of the Chairperson and Deputy Chairperson of that Board and to allow the remuneration of certain members of the Stakeholder Advisory Council. (This amendment will come into force upon proclamation.)	

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