



International Centre for  
Financial Regulation

## Key Dates

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### Key Regulatory Events and Consultation Papers

<p>Australian Prudential Regulation Authority (APRA) [AUS]</p>	<p>Derivatives</p>	<p>Discussion paper</p>	<p>Covered bonds and securitisation matters</p>	<p>The Australian Prudential Regulation Authority (APRA) has published for consultation a discussion paper outlining its proposals to introduce a new prudential standard for authorised deposit-taking institutions (ADIs) that issue covered bonds. The discussion paper and draft prudential standard are intended to ensure that ADIs adopt prudent practices when issuing covered bonds and managing risks associated with exposure to a covered bond special purpose vehicle. Following consideration of submissions received, APRA will finalise APS 121 and related amendments to other prudential standards with a view to implementation in early 2012</p>	<p>9 December 2011</p>	<p><a href="http://www.apra.gov.au/adi/Documents/111107_DP_Covered%20bonds%20and%20securitisation%20matters.pdf">http://www.apra.gov.au/adi/Documents/111107_DP_Covered%20bonds%20and%20securitisation%20matters.pdf</a></p>
<p>Financial Stability Oversight Council (FSOC) [USA]</p>	<p>Financial Stability</p>	<p>Consultation</p>	<p>Authority to require supervision and regulation of certain non bank financial companies</p>	<p>The proposed rule and attached guidance describe the manner in which the Council intends to apply the statutory standards and considerations, and the processes and procedures that the Council intends to follow, in making determinations under section 113 of the Dodd-Frank Act. The Council issued an advance notice of proposed rulemaking on October 6, 2010, and a notice of proposed rulemaking on January 26, 2011, regarding determinations under section 113.</p>	<p>19 December 2011</p>	<p><a href="http://www.federalregister.gov/articles/2011/10/18/2011-26783/authority-to-require-supervision-and-regulation-of-certain-nonbank-financial-companies">http://www.federalregister.gov/articles/2011/10/18/2011-26783/authority-to-require-supervision-and-regulation-of-certain-nonbank-financial-companies</a></p>

Financial Services Authority (FSA) [UK]	Structured products	Consultation	Retail product development and governance – structured products review	The consultation assessed seven major providers of structured products between November 2010 and May 2011. The review specifically looked at how the firms were designing structured products, identifying their target markets, and how they handled post-sales responsibilities.	11 January 2012	<a href="http://www.fsa.gov.uk/pubs/guidance/gc11_27.pdf">http://www.fsa.gov.uk/pubs/guidance/gc11_27.pdf</a>
Islamic Financial Services Board (IFSB)[Saudi Arabia]	Stress Test	Consultation	Guiding principles on stress testing for institutions offering Islamic financial services	This paper is intended to complement the existing international stress testing framework taking into consideration the specificities of institutions offering Islamic financial services as well as lessons learned from the financial crisis in order to contribute to the soundness and stability of the particular institution and the Islamic financial services industry as a whole.	12 January 2012	<a href="http://www.ifsb.org/docs/ED-13%20Stress%20Testing%20%282011-10-12%29.pdf">http://www.ifsb.org/docs/ED-13%20Stress%20Testing%20%282011-10-12%29.pdf</a>
Islamic Financial Services Board (IFSB)[Saudi Arabia]	Liquidity Risk Management	Consultation	Guiding principles on liquidity risk management for institutions offering Islamic financial services	The consultation address the management of liquidity risk by institutions offering Islamic financial services and its supervision and monitoring by supervisory authorities, taking into consideration the specificities of Islamic financial services institutions and complementing relevant existing and emerging international standards and best practices.	12 January 2012	<a href="http://www.ifsb.org/docs/ED-12%20Liquidity%20Risk%20Mgmt%20for%20IFSB%20%282011-10-12%29.pdf">http://www.ifsb.org/docs/ED-12%20Liquidity%20Risk%20Mgmt%20for%20IFSB%20%282011-10-12%29.pdf</a>

Federal Reserve [USA], SEC, FDIC, OCC	Volcker Rule	Consultation	Prohibitions and restrictions on proprietary trading and Certain interests in, and relationships with, hedge funds and Private equity funds	The Federal Reserve Board has published a consultation document regarding the section of the Dodd-Frank Act commonly referred to as the 'Volcker Rule'. The rule prohibits various forms of proprietary trading, and seeks to eliminate conflicts of interest between banks, clients and counterparties. The rule has been developed between a number of agencies. The consultation has been since the date of emission been extended by the SEC , the FDIC, and the OCC with further questions on the same relating topic.	13 January 2012	<a href="http://www.sec.gov/rules/proposed/2011/34-65545.pdf">http://www.sec.gov/rules/proposed/2011/34-65545.pdf</a>
European Banking Authority (EBA) [EUR]	Incremental risk capital charge (IRC)	Consultation	Draft guidelines on the incremental default in migration risk charge (IRC)	The paper provides guidance on the IRC modelling approaches employed by credit institutions using the Internal Model Approach ("IMA") for the calculation of the required capital for specific interest risk in the trading book, and is seen as an important means of addressing weaknesses in the regulatory capital framework and in the risk management of financial institutions that contributed to the turmoil in global financial markets. The consultation focuses on the positions that are subject to IRC modelling and the permanent partial use of IRC models together with the guidance on use and sources of IRC modelling.	15 January 2012	<a href="http://www.eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2011/CP49/EBA-BS-2011-165-(CP-on-GL-IRC)-FINAL.pdf">http://www.eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2011/CP49/EBA-BS-2011-165-(CP-on-GL-IRC)-FINAL.pdf</a>

European Banking Authority (EBA) [EUR]	Stressed value at risk (VaR)	Consultation	Draft guidelines on stressed value at risk (stressed VaR)	The consultation provides guidance on Stressed VaR modelling by credit institutions using the Internal Model Approach (“IMA”) for the calculation of the required capital for market risk in the trading book, is seen as an important means of addressing weaknesses in the regulatory capital framework and in the risk management of financial institutions that contributed to the turmoil in global financial markets and is expected to reduce reliance on cyclical VaR-based capital estimates as well as to contribute to the development of a more robust financial system.	15 January 2012	<a href="http://www.eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2011/CP48/EBA-BS-2011-166r-(CP48-on-GL-Stressed-VaR)-FINAL.pdf">http://www.eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2011/CP48/EBA-BS-2011-166r-(CP48-on-GL-Stressed-VaR)-FINAL.pdf</a>
Australian Prudential Regulation Authority (APRA) [AUS]	Basel III	Discussion Paper	Implementing Basel III Liquidity Reforms in Australia	APRA has been actively involved in developing these global liquidity reforms and fully supports their implementation in Australia. Accordingly, APRA proposes to apply the new global liquidity standards to the larger authorised deposit-taking institutions (ADIs). These new standards are the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). However, APRA does not intend to apply these standards to ADIs that are subject to a simple quantitative metric, the minimum liquidity holdings (MLH) regime. The enhanced qualitative requirements will apply to all ADIs in Australia.	17 January 2012	<a href="http://www.apra.gov.au/adi/Documents/ADI_DP_IBLR_November_2011.pdf">http://www.apra.gov.au/adi/Documents/ADI_DP_IBLR_November_2011.pdf</a>

Financial Services Authority (FSA) [UK]	Guidance for non-executive directors	Guidance Consultation	Non Executive Directors Conference - Delivering Fair Treatment for Consumers of Financial Services	The purpose of the guidance is to set out to firms our expectations of NEDs (Non executive directors) in delivering the appropriate management of retail conduct risk within firms. By retail conduct risk, we mean the risk of a firm treating its retail customers unfairly and delivering inappropriate outcomes	18 January 2012	<a href="http://www.fsa.gov.uk/pubs/guidance/gc11_30.pdf">http://www.fsa.gov.uk/pubs/guidance/gc11_30.pdf</a>
Reserve Bank of New Zealand	Basel III	Consultation	Implementation of Basel III capital adequacy requirements in New Zealand	This consultation paper sets out the Reserve Bank's proposals for implementing core Basel III capital measures relating to capital ratios, the definition of capital and the leverage ratio.	27 January 2012	<a href="http://www.rbnz.govt.nz/finstab/banking/4577705.pdf">http://www.rbnz.govt.nz/finstab/banking/4577705.pdf</a>
Australian Treasury [AUS]	OTC derivatives	Discussion paper	Handling and the use of client money in relation to the over-the-counter derivatives transaction	The Australian Treasury has published a discussion paper on the handling and use of client money in relation to OTC derivatives transactions. The purpose of the discussion paper is to discuss a number of issues relating to the holding of client money in connection with OTC derivatives transactions, and to review whether the client monies provisions of the Corporations Act 2001 provide sufficient protections for investors.	27 January 2012	<a href="http://www.treasury.gov.au/documents/2231/PDF/DP_Client_Monies_OTC.pdf">http://www.treasury.gov.au/documents/2231/PDF/DP_Client_Monies_OTC.pdf</a>

Federal Deposit Insurance Corporation (FDIC) [US]	Notice of proposed rulemaking (NPR)	Consultation paper	Risk-Based Capital Guidelines: Market Risk; Alternatives to Credit Ratings for Debt and Securitisation Positions	The agencies are seeking comment on an amendment to the notice of proposed rulemaking (NPR) to modify the agencies' market risk capital rules, published in the Federal Register on January 11, 2011 (January 2011 NPR). The January 2011 NPR did not include the methodologies adopted by the Basel Committee on Banking Supervision (BCBS) for calculating the standard specific risk capital requirements for certain debt and securitization positions, because the BCBS methodologies generally rely on credit ratings.	3 February 2012	<a href="http://www.fdic.gov/news/news/press/2011/pr11189a.pdf">http://www.fdic.gov/news/news/press/2011/pr11189a.pdf</a>
Financial Services Authority (FSA) [UK]	Liquidity, supervision, reporting, and consumer protection	Consultation paper (chapter 2 to 9)	Quarterly Consultation (No. 31)	In this paper the FSA invited for comments on different topics such as: liquidity rules by confirming the policy intention of the Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU) rules, to implement the Department for Work and Pensions' changes, to the information disclosure requirements in the Insurance, to improve the clarity of the reporting requirements and to facilitate better data quality, to guidance in the Code of Market Conduct, to the qualification standards that advisers have to meet as part of the Retail Distribution Review (RDR), to allow a non-UCITS retail scheme (NURS) that is subject to investment powers and borrowing limits to act as a feeder fund.	6 February 2012	<a href="http://www.fsa.gov.uk/pubs/cp/cp1127.pdf">http://www.fsa.gov.uk/pubs/cp/cp1127.pdf</a>

<p>Basel Committee for Banking Supervision (BCBS) [EU]</p>	<p>Internal audit function</p>	<p>Consultation paper</p>	<p>The internal audit function in banks</p>	<p>The Basel Committee on Banking Supervision issued a revised supervisory guidance for assessing the effectiveness of the internal audit function in banks, which forms part of the Committee's ongoing efforts to address bank supervisory issues and enhance supervision through guidance that encourages sound practices within banks. The document replaces the 2001 document Internal audit in banks and the supervisor's relationship with auditors. It takes into account developments in supervisory practices and in banking organisations and incorporates lessons drawn from the recent financial crisis.</p> <p>The document builds on the Committee's Principles for Enhancing Corporate Governance which require banks to have an internal audit function with sufficient authority, stature, independence, resources and access to the board of directors. Independent, competent and qualified internal auditors are vital to sound corporate governance.</p>	<p>2 March 2012</p>	<p><a href="http://www.bis.org/publ/bcbs210.pdf">http://www.bis.org/publ/bcbs210.pdf</a></p>
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