

Jurisdiction: United States of America

2018 IMN Survey of National/Regional Progress in the Implementation of G20/FSB Recommendations

Contact information

- I. Hedge funds
- II. Securitisation
- III. Enhancing supervision
- IV. Building and implementing macroprudential frameworks and tools
- V. Improving oversight of credit rating agencies (CRAs)
- VI. Enhancing and aligning accounting standards
- VII. Enhancing risk management
- VIII. Strengthening deposit insurance
- IX. Safeguarding the integrity and efficiency of financial markets
- X. Enhancing financial consumer protection

List of abbreviations used

Sources of recommendations

List of contact persons from the FSB and standard-setting bodies

National authorities from FSB member jurisdictions should complete the survey and submit it to the FSB Secretariat (imn@fsb.org) by **Friday, 8 June 2018** (*representing the most recent status at that time*). The Secretariat is available to answer any questions or clarifications that may be needed on the survey. Please also provide your contact details for the person(s) completing the survey and an index of abbreviations used in the response.

National authorities are expected to submit the information to the FSB Secretariat using the Adobe Acrobat version of the survey. The Microsoft Word version of the survey is also being circulated to facilitate the preparation/collection of survey responses by relevant authorities within each jurisdiction.

Jurisdictions that previously reported implementation as completed in a particular recommendation are only required to include information about main developments since last year's survey and future plans (if applicable) ("Update and next steps" table). New reforms to enhance the existing framework in that area should be described, but should not lead to a downgrade from implementation completed to ongoing. Jurisdictions that do not report implementation as completed are required to include full information both in the "Progress to date" and "Update and next steps" tables.

As with previous IMN surveys, the contents of this survey for each national jurisdiction will be published on the FSB's website at around the time of the 2018 G20 Summit in Buenos Aires. The FSB Secretariat will contact member jurisdictions ahead of the Summit to check for any updates or amendments to submitted responses before they are published.

I. Hedge funds

II III IV V VI VII VIII IX X

1. Registration, appropriate disclosures and oversight of hedge funds

G20/FSB Recommendations

We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds.
(Seoul)

Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management.
(London)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).

I. Hedge funds

II III IV V VI VII VIII IX X

2. Establishment of international information sharing framework

G20/FSB Recommendations

We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)

Remarks

Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's [Report on Hedge Fund Oversight \(Jun 2009\)](#) on sharing information to facilitate the oversight of globally active fund managers.

In addition, jurisdictions should state whether they are:

- Signatory to the IOSCO MMoU in relation to cooperation in enforcement
- Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO [Principles Regarding Cross-border Supervisory Cooperation](#).

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date

- ☐ Not applicable
- ☐ Applicable but no action envisaged at the moment
- ☐ Implementation ongoing
- ☒ Implementation completed as of 01.05.2010

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
- ☐ Draft published as of
- ☐ Final rule or legislation approved and will come into force on
- ☐ Final rule (for part of the reform) in force since

I. Hedge funds

II III IV V VI VII VIII IX X

2. Establishment of international information sharing framework

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
☐ Regulation / Guidelines
☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Model supervisory cooperation arrangement published by IOSCO in May 2010.

The SEC and several of its counterparts have entered into memoranda of understanding (MOUs) and other arrangements relating to cooperation with respect to supervisory matters.

Other actions: SEC staff chaired an IOSCO task force that developed a model supervisory cooperation arrangement.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I. Hedge funds

II III IV V VI VII VIII IX X

2. Establishment of international information sharing framework

Update and next steps

Highlight main developments since last year's survey

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

<http://www.iosco.org/library/pubdocs/pdf/IOSCOPD322.pdf>
http://www.sec.gov/about/offices/oia/oia_cooparrangements.shtml#reg

I. Hedge funds

II III IV V VI VII VIII IX X

3. Enhancing counterparty risk management

G20/FSB Recommendations

Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)

Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)

Remarks

Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.

In particular, jurisdictions should indicate whether they have implemented recommendation 3 of the IOSCO [Report on Hedge Fund Oversight \(Jun 2009\)](#).

In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III capital requirements for counterparty risk, since it is [monitored separately](#) by the BCBS.

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO [Objectives and Principles of Securities Regulation](#), and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 01.06.2011

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I. Hedge funds

II III IV V VI VII VIII IX X

3. Enhancing counterparty risk management

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

The Dodd-Frank Act generally requires all advisers to hedge funds (and other private pools of capital, including private equity funds) whose assets under management exceed \$100 million to register with the SEC. The SEC has completed the required rulemaking (see links below). In addition, in accordance with Dodd-Frank, pursuant to the Securities Exchange Act of 1934 ("Exchange Act"), the SEC proposed, in November 2012, capital and margin requirements for security-based swap dealers ("SBSDs") and major security-based swap participants ("MSBSPs"), segregation requirements for SBSDs, and notification requirements with respect to segregation for SBSDs and MSBSPs. In particular, these proposals would require SBSDs and MSBSPs to collect margin from counterparties such as hedge funds. These requirements are modelled on existing margin requirements for broker-dealers. The SEC's proposal would also increase the minimum net capital requirements for broker-dealers permitted to use the alternative internal model-based method for computing net capital ("ANC broker-dealers"). See Capital, Margin, and Segregation Requirements for Security-Based Swap Dealers and Major Security-Based Swap Participants and Capital Requirements for Broker-Dealers, Exchange Act Release No. 68071 (Oct. 18, 2012), 77 FR 70213 (Nov. 23, 2012). In October 2018, the Commission re-opened the comment period for 30 days (until November 19, 2018) for the proposed capital, margin, and segregation requirements for SBSDs and MSBSPs proposed in 2012. See Capital, Margin, and Segregation Requirements for Security-Based Swap Dealers and Major Security-Based Swap Participants and Capital Requirements for Broker-Dealers, Exchange Act Release No. 84409 (Oct. 11, 2018), 83 FR 53007 (Oct. 19, 2018).

Further, the following SEC regulations have implemented these recommendations:

- Exchange Act Rule 15c3-4 requires that OTC derivatives dealers establish, document, and maintain a system of internal risk management controls to assist it in managing the risks associated with its business activities, including market, credit, leverage, liquidity, legal, and operational risks.
- Appendix E to Rule 15c3-1 -- Deductions for Market and Credit Risk for Certain Brokers or Dealers, provides that any broker dealer that uses the "alternative method for calculating net capital" (permits a broker-dealer to use mathematical models to calculate net capital requirements for market and derivatives-related credit risk) is subject to enhanced net capital, early warning, recordkeeping, reporting, and certain other requirements, and must implement and document an internal risk management system.
- Appendix F to Rule 15c3-1 -- Optional Market and Credit Risk Requirements for OTC Derivatives Dealers, provides that an OTC derivatives dealer shall provide a comprehensive description of its internal risk management control systems and how those systems adhere to the requirements set forth in Rule 15c3-4(a) through (d).

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**



I. Hedge funds

II III IV V VI VII VIII IX X

3. Enhancing counterparty risk management

Update and next steps

Highlight main developments since last year's survey

The Prudential Regulators moved forward with the implementation schedule set out in the swap margin rules described above. Registered swap dealers were required to begin exchanging daily mark-to-market margin with all financial counterparties by March 1, 2017. On September 1, 2017, the obligation for registered swap dealers to exchange initial margin with financial counterparties extended to those with swap portfolios that exceed \$2.25 trillion.

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

<http://www.sec.gov/rules/final/2011/ia-3222.pdf>
<http://www.sec.gov/rules/final/2011/ia-3221.pdf>
<http://www.sec.gov/rules/proposed/2012/34-68071.pdf>
<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=81eedd5ca275d84f5eaf694af12003be&rgn=div8&view=text&node=17:3.0.1.1.1.2.95.334&idno=17>
<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=81eedd5ca275d84f5eaf694af12003be&rgn=div8&view=text&node=17:3.0.1.1.1.2.95.328&idno=17>
<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=81eedd5ca275d84f5eaf694af12003be&rgn=div8&view=text&node=17:3.0.1.1.1.2.95.329&idno=17>



I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
4. Strengthening of regulatory and capital framework for monolines									

G20/FSB Recommendations

Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).

I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
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5. Strengthening of supervisory requirements or best practices for investment in structured products

G20/FSB Recommendations

Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)

Remarks

Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products.

Jurisdictions may reference IOSCO's report on [Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments \(Jul 2009\)](#).

Jurisdictions may also refer to the Joint Forum report on [Credit Risk Transfer-Developments from 2005-2007 \(Jul 2008\)](#).

Progress to date

- ☐ Not applicable
- ☐ Applicable but no action envisaged at the moment
- ☒ Implementation ongoing
- ☐ Implementation completed as of

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

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I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
5. Strengthening of supervisory requirements or best practices for investment in structured products									

Progress to date	
<p>Issue is being addressed through</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions)</p> <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>The OCC published several bulletins and one regulation that addresses bank's upfront due diligence and ongoing analysis of structured products. Two of these bulletins are highlighted below: On June 26, 2012, the OCC published Bulletin 2012-18: "Alternatives to the Use of External Credit Ratings in the Regulations of the OCC." This guidance enumerated several key factors for banks to include in their analysis. Ten factors require analysis for structured products. Detail provided in web link #1 below. On January 1, 2015, banks were required to perform specific due diligence analysis on structured product on an upfront and ongoing basis to comply with 12 CFR 3.43(c): "Capital Adequacy: Operational Due Diligence Requirements for Securitization Exposures." A risk-weight of 1250% must be applied for securitization exposures where the bank cannot support a comprehensive understanding of features that materially affect its performance. See weblink #2 below for more information.</p> <p>Other actions: In 2009, the NAIC changed the process by which NAIC designations are assigned for each structured security held by an insurance company. This was an important change as NAIC designations are mapped to Risk-Based Capital factors and Asset Valuation Reserve requirements. Each individual RMBS and CMBS held by insurers is modeled on an annual basis to determine an expected recovery value. These are used, together with each company's carrying value for each RMBS and CMBS to determine the NAIC designation and resulting RBC factor. This process, replaced reliance on rating agency ratings for non-agency RMBS and CMBS. All of this provided for an increased level of regulatory oversight and resulted in a more accurate assessment of insurance companies' investment risks as they relate to risk of loss to capital. It also requires ongoing monitoring by insurance regulators of current market and economic conditions as the assumptions under different scenarios used in the modeling to determine probability and magnitude of loss need to be updated every year. The NAIC continues to monitor industry-wide exposures for significant changes in asset mix, including structured securities, commercial real estate related assets and hedge funds. This is reported to individual insurance departments and various committees and other groups of State insurance regulators meeting through the NAIC. The NAIC also completed work on commercial mortgage loans in 2013. FHFA examines models at its regulated entities (Fannie Mae, Freddie Mac, and the Federal Home Loan Banks--FHLBanks) to ensure that they have the capability of performing loan-level evaluations of structured securities.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

	I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
5. Strengthening of supervisory requirements or best practices for investment in structured products										

Update and next steps	
<p>Highlight main developments since last year's survey</p> <div></div>	<p>Planned actions (if any) and expected commencement date</p> <p>The NAIC has been engaged in a wholesale review of asset risk factors for all of the investment schedules. This is expected to result in recommendations for significant changes in some areas, while others will likely remain relatively unchanged; depending on the results of detailed analysis as balanced by the need to focus on regulatory benefits. Work is near completion for the largest asset class among insurers - bonds - with a likely outcome being increased granularity along with an updating of risk-based capital factors based on more current default and loss severity data. Work on other asset classes, such as common stock and real estate, are also in process with a timeline for completion after the work on bonds is completed.</p> <div></div>

Relevant web-links	
<p>Web-links to relevant documents</p>	<p>#1 - https://www.occ.gov/news-issuances/federal-register/77fr35259.pdf (page 35261)</p> <p>#2 - https://www.law.cornell.edu/cfr/text/12/3.41(c)</p> <div></div>

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II. Securitisation

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6. Enhanced disclosure of securitised products

G20/FSB Recommendations

Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)

Remarks

Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.

See, for reference, IOSCO's [Report on Principles for Ongoing Disclosure for Asset-Backed Securities \(Nov 2012\)](#), [Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities \(Apr 2010\)](#) and [report on Global Developments in Securitisation Regulations \(November 2012\)](#), in particular recommendations 4 and 5.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 20/01/2011

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If “Implementation ongoing” has been selected, please specify

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☐ Draft published as of
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I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
6. Enhanced disclosure of securitised products									

Progress to date	
<p>Issue is being addressed through</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions)</p> <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>On January 20, 2011, final rules were adopted: "Disclosure for ABS Required by Section 943 of the Dodd-Frank Act" and "Issuer Review of Assets and Offerings of ABS". On September 4, 2014, final rules were adopted: "Asset-Backed Securities Disclosure and Registration."</p> <p>Other actions: As part of FHFA's initiative for Fannie Mae and Freddie Mac (the Enterprises) to issue a common, single security, FHFA has worked to align the Enterprises' loan-level and security-level disclosures.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

	I	II. Securitisation	III	IV	V	VI	VII	VIII	IX	X
6. Enhanced disclosure of securitised products										

Update and next steps	
<p>Highlight main developments since last year's survey</p> <p>In 2017, FHFA published “An Update on the Single Security Initiative and the Common Securitization Platform” detailing progress toward further implementation of the Common Securitization Platform (CSP). The CSP will support the Enterprises' single-family mortgage securitization activities, including the issuance by both Enterprises of a common single mortgage-backed security to be known as the Uniform Mortgage-Backed Security (UMBS). In 2018, FHFA published updates to its progress on the UMBS including the release of a proposed rule.</p>	<p>Planned actions (if any) and expected commencement date</p> <p>FHFA will finalize the UMBS proposed rule in 2019. Once the Single Security is implemented in the second quarter of 2019, both Enterprises will be making adjustments to their at-issuance and periodic (monthly) disclosures as described in the update document.</p>

Relevant web-links	
Web-links to relevant documents	<p>https://www.fhfa.gov/PolicyProgramsResearch/Policy/Pages/Securitization-Infrastructure.aspx Jan. 20, 2011, Final Rules: http://www.sec.gov/rules/final/2011/33-9175.pdf (Section 943) and http://www.sec.gov/rules/final/2011/33-9176.pdf (Issuer review of assets in ABS offerings) July 26, 2011, Proposed Rules: http://www.sec.gov/rules/proposed/2010/33-9117.pdf (Asset-backed securities) and http://www.sec.gov/rules/proposed/2011/33-9244.pdf (Re-proposal of shelf eligibility conditions for asset-backed securities) Sept. 4, 2014, Final Rules: http://www.sec.gov/rules/final/2014/33-9638.pdf</p>

I II

III. Enhancing supervision

IV

V

VI

VII

VIII

IX

X

7. Consistent, consolidated supervision and regulation of SIFIs

G20/FSB Recommendations

All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)

Remarks

Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs.

Jurisdictions should not provide details on policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are [monitored separately](#) by the BCBS.

See, for reference, the following documents:

BCBS

- [Framework for G-SIBs \(Jul 2013\)](#)
- [Framework for D-SIBs \(Oct 2012\)](#)

IAIS

- [Global Systemically Important Insurers: Policy Measures \(Jul 2013\) and revised assessment methodology \(updated in June 2016\)](#)
- [IAIS SRMP guidance - FINAL \(Dec 2013\)](#)
- [Guidance on Liquidity management and planning \(Oct 2014\)](#)

FSB

- [Framework for addressing SIFIs \(Nov 2011\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of

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I II

III. Enhancing supervision

IV

V

VI

VII

VIII

IX

X

7. Consistent, consolidated supervision and regulation of SIFIs

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☐ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

The Dodd-Frank Act modifies U.S. regulatory framework by creating the Financial Stability Oversight Council (FSOC), chaired by the Secretary of the Treasury, with the authority to designate nonbank financial companies whose material financial distress or activities could threaten the financial stability of the United States and to require these firms be subject to enhanced prudential standards and supervision by the Federal Reserve. FSOC issued a final rule and interpretative guidance in 2012 regarding its nonbank designations authority.

Enhanced Prudential Standards Section 165 of the Dodd-Frank Act directs the Federal Reserve to establish enhanced prudential standards (EPS) for U.S. bank holding companies with global consolidated assets of \$50 billion or more; foreign banking organizations with a U.S. banking presence and global consolidated assets of \$50 billion or more; and nonbank financial companies designated by the FSOC for supervision by the Federal Reserve in order to prevent or mitigate risks to U.S. financial stability that could arise from the material financial distress or failure, or ongoing activities, of these companies. The statute generally requires the EPS to include risk-based and leverage capital requirements, liquidity requirements, risk management and risk-committee requirements, resolution-planning requirements, single counterparty credit limits, stress-test requirements, and a debt-to-equity limit. The Federal Reserve issued a final rule in 2014, with the requirements for bank holding companies taking effect in 2015, and for foreign banking organizations in July 2016. The Federal Reserve is monitoring compliance with the standards through the supervisory process, including through horizontal reviews and regular communication and outreach with home country supervisors. In 2011, the Federal Reserve issued a final rule imposing capital planning requirements on bank holding companies with total consolidated assets of \$50 billion or more, and in 2012, the Federal Reserve issued a final rule imposing company-run and supervisory stress test requirements on these bank holding companies. The Federal Reserve's associated supervisory programs, CCAR and DFAST, are cornerstones of the supervisory program, and assess firms' capital planning practices and capital adequacy on a post-stress basis. In 2015, the Federal Reserve released guidance to consolidate its expectations for capital planning and to highlight the elevated expectations for larger, more complex firms. In 2017, the Federal Reserve adopted a rule to reduce the burden associated with the qualitative aspects of CCAR for the less complex firms. In 2018, the Federal Reserve invited comment on a proposal which would in part integrate the forward-looking stress test results with the Board's non-stress capital requirements. The result would produce capital requirements for large banking organization that are firm-specific and risk-sensitive.

The Federal Reserve, FDIC, and OCC have also enhanced regulation of banking organizations by imposing a new liquidity requirement, the liquidity coverage ratio, on these firms. In 2014 and 2015, the Federal Reserve finalized a rule for a risk-based capital surcharge and leverage surcharge for global systemically important bank holding companies based on a firm's systemic risk profile. On April 11, 2018, the Federal Reserve Board and the OCC jointly proposed for public

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

	I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
7. Consistent, consolidated supervision and regulation of SIFIs										

Update and next steps	
<p>Highlight main developments since last year's survey</p> <div></div>	<p>Planned actions (if any) and expected commencement date</p> <p>The Federal Reserve Board, FDIC, and OCC are furthering the goals of implementing standardized liquidity measures by considering comments on a proposed rule to implement the Net Stable Funding Ratio. The Federal Reserve Board is also furthering the goals of implementing final rules and reporting forms applicable to insurance SIFIs by considering comments on the proposed enhanced prudential standards for insurance SIFIs, proposed reporting requirements for insurance SIFIs, and conceptually outlined capital frameworks for insurance SIFIs.</p> <div></div>

Relevant web-links	
<p>Web-links to relevant documents</p>	<p> http://www.treasury.gov/initiatives/fsoc/Documents/Nonbank%20Designations%20-%20Final%20Rule%20and%20Guidance.pdf http://www.occ.gov/news-issuances/news-releases/2014/nr-occ-2014-117a.pdf http://www.federalreserve.gov/newsevents/press/bcreg/20150720b.htm http://www.federalreserve.gov/bankinfo/ccar.htm http://www.federalreserve.gov/bankinfo/dfa-stress-tests.htm https://www.federalreserve.gov/bankinfo/srletters/sr1518.htm </p>

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
8. Establishing supervisory colleges and conducting risk assessments									

G20/FSB Recommendations

To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)

We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2017 IMN survey. The BCBS and IAIS will be monitoring implementation progress in this area with respect to banks and insurers respectively.

I II

III. Enhancing supervision

IV

V

VI

VII

VIII

IX

X

9. Supervisory exchange of information and coordination

G20/FSB Recommendations

To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)

Enhance the effectiveness of core supervisory colleges. (FSB 2012)

Remarks

Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the [September 2012](#) BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.

Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of July 2010

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

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☐ Final rule (for part of the reform) in force since

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
9. Supervisory exchange of information and coordination									

Progress to date	
<p>Issue is being addressed through</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions)</p> <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Other actions: Supervisors are exchanging information and improving coordination in a number of ways, e.g., through supervisory colleges and through participation in all of the major international efforts to improve supervisory responses to developments that have a common effect across a number of institutions. IOSCO members, including the SEC and the CFTC, also continue to develop bilateral supervisory MOUs in accordance with IOSCO's Principles for Supervisory Cooperation. States with IAIGs, as well as the Federal Reserve, have or will likely soon execute information sharing agreements. Eighteen states representing over 50 percent of US premium, along with more than sixty other jurisdictions, have signed the IAIS MMoU, a multilateral agreement that facilitates the exchange of information amongst international insurance regulators. U.S. agencies involved in Financial Stability Board (FSB) workstreams continue to work through CMGs, information sharing and cross-border cooperation agreements, and memoranda of understanding in accordance with the timelines established by the FSB's Cross-border Crisis Management group and the Resolution Steering Group to share information and develop best practices for resolution. U.S. agencies have executed firm-specific cooperation agreements with host authorities for all seven of the U.S. G-SIBs with significant cross-border operations. In addition, as noted above, U.S. agencies are in regular communication and outreach with home and host country supervisors to discuss emerging issues, including those related to regulatory requirements and supervisory issues. U.S. agencies also negotiate and enter into bilateral MOUs with supervisory counterparts to ensure effective information sharing and cross-border cooperation that are not firm-specific.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

	I	II	III. Enhancing supervision					IV	V	VI	VII	VIII	IX	X
9. Supervisory exchange of information and coordination														

Update and next steps	
<p>Highlight main developments since last year's survey</p> <div></div>	<p>Planned actions (if any) and expected commencement date</p> <div></div>

Relevant web-links	
<p>Web-links to relevant documents</p>	<div></div>

I II

III. Enhancing supervision

IV

V

VI

VII

VIII

IX

X

10. Strengthening resources and effective supervision

G20/FSB Recommendations

We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)

Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)

Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)

Remarks

Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB [thematic peer review report on supervisory frameworks and approaches to SIBs \(May 2015\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I II

III. Enhancing supervision

IV

V

VI

VII

VIII

IX

X

10. Strengthening resources and effective supervision

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
- ☐ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

The Federal Reserve continues to enhance its supervisory program for the largest, most interconnected U.S. firms. In 2010, the Federal Reserve launched a national program, the Large Institution Supervision Coordinating Committee or LISCC, to coordinate the Federal Reserve's supervision of domestic bank holding companies and foreign banking organizations that pose elevated risk to U.S. financial stability and other nonbank financial companies designated by the FSOC. The program uses forward looking assessments of firm's resiliency, and evaluates both the safety and soundness of individual large financial institutions and the risks posed by those institutions to the broader financial system. The LISCC enables a multi-disciplinary input into the direction and execution of the supervisory program, and integrates multiple sources of data and information to detect risks and trends in the portfolio. (See SR letter 12-17 for a description of the LISCC supervisory program's objectives and core areas of focus.) The LISCC program integrates all firm-specific and horizontal work to assess firms in the core area of focus, and is overseen by a dedicated multi-disciplinary steering committee. The structure is intended to enable strong, consistent supervision across the LISCC portfolio.

The Federal Reserve has also developed a supervisory program for nonbank financial companies supervised by the Federal Reserve. Prudential is supervised by dedicated multi-disciplinary teams consisting of individuals with industry expertise- insurance, actuaries, as well as supervision experience. Additionally, resources are drawn from other parts of the Federal Reserve System as needed. The fair amount of collaboration, coordination and opportunities for participation in on-site examination (as an examiner or observer) facilitate development of the necessary expertise to supervise these institutions. FHFA has established the Housing Finance Examiner Commissioning program and continues to provide training to its supervisory staff. FHFA also provides examination guidance to its staff to facilitate consistency in its supervisory approach to the regulated entities. The NAIC formed an Executive- level Innovation and Technology Task Force in 2017 charged with, among other things, providing a forum for the discussion of innovation and technological developments in the insurance sector in order to educate state insurance regulators on how these developments impact consumer protection, privacy, insurer and producer oversight, marketplace dynamics and through our Task Force meetings where regulators have invited numerous stakeholders in this arena to dialogue with them. The U.S. state based regulatory system aims to provide flexibility in terms of accommodating innovative products and services being developed. Dialogue is taking place to ensure regulation is not an obstacle to implementation while still ensuring state requirements intended to provide effective consumer protections are maintained.

In February 2018 NAIC approved a strategic plan, State Ahead which is designed to give state regulators, through the NAIC, the tools, talent and technology to make informed regulatory decisions.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**



	I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
10. Strengthening resources and effective supervision										

Update and next steps	
<p>Highlight main developments since last year's survey</p> <p>Modifications to LISCC structure to more clearly align with core areas of focus.</p>	<p>Planned actions (if any) and expected commencement date</p> <p>The Innovation and Technology Task Force will meet in person during the NAIC's Insurance Summit in June 2018. State regulators will hold an Autonomous Vehicle Forum, Cybersecurity Forum and will meet with innovators in Silicon Valley in October 2018.</p>

Relevant web-links	
<p>Web-links to relevant documents</p>	<p>http://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Housing-Finance-.aspx http://www.federalreserve.gov/bankinfo/srletters/sr1507.htm</p>

I II III

IV. Building and implementing macroprudential frameworks and tools

V VI VII VIII IX X

11. Establishing regulatory framework for macro-prudential oversight

G20/FSB Recommendations

Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk. (London)

Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)

Remarks

Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis.

Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 11/30/2011 and 4/1/2012

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I	II	III	IV. Building and implementing macroprudential frameworks and tools	V	VI	VII	VIII	IX	X
11. Establishing regulatory framework for macro-prudential oversight									

Progress to date	
<p>Issue is being addressed through</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions)</p> <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Other actions: The FSOC, chaired by the Secretary of the Treasury, has broad accountability to identify emerging risks to improve financial stability, to improve regulatory coordination and to identify market participants that require heightened supervision. The Dodd-Frank Act also gives regulators authority to take into account macro-prudential considerations in their regulation of financial firms. The FSOC may designate nonbank financial companies for enhanced prudential standards and supervision by the Federal Reserve if the FSOC finds that the firm's material financial distress could threaten the financial stability of the United States. Designated firms are subject to the enhanced prudential standards described in section 165 of the Dodd-Frank Act. In addition, such firms are subject to prudential supervision by the Federal Reserve. The Office of Financial Research (OFR) was granted broad authority to gather information, in particular on parts of the financial system that fall outside the regulatory perimeter.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I II III

IV. Building and implementing macroprudential frameworks and tools

V VI VII VIII IX X

11. Establishing regulatory framework for macro-prudential oversight

Update and next steps

Highlight **main developments since last year's survey**

In July 2018, the OFR proposed a rule to establish a data collection covering centrally cleared funding transactions in the U.S. repurchase agreement (repo) market. The proposed data collection would enhance the abilities of the FSOC to identify and monitor potential risks to U.S. financial stability by closing the data gap on centrally cleared repo transactions. The proposed rule would require the submission of information by central counterparties with average daily total open repo commitments of at least \$50 billion.

Planned actions (if any) and expected commencement date

The FSOC continues to work to identify, analyze and coordinate responses to threats to financial stability. Since 2011, the FSOC has continued to issue annual reports that identify emerging threats to financial stability. The Federal Reserve also has incorporated macro-prudential considerations in its regulation and supervision. The NAIC continues to focus on macroprudential issues as they may impact the insurance industry. Several NAIC committees are engaged in this, including the Financial Analysis Working Group and the Financial Stability Task Force. The Financial Stability Task Force, in 2017 specifically added to its charges and launched its Macro Prudential Initiative. Additionally, the NAIC, Federal Insurance Office, and state insurance regulators will continue to be engaged in the work of the IAIS's Macroprudential Policy and Surveillance Working Group, including the Key Insurance Risks and Trends Survey and Global Insurance Market Report.

Relevant web-links

Web-links to relevant documents

<http://www.gpo.gov/fdsys/pkg/FR-2011-11-01/pdf/2011-27377.pdf>
<http://www.gpo.gov/fdsys/pkg/FR-2012-01-23/pdf/2012-1136.pdf>
https://www.financialresearch.gov/press-releases/files/FR-Notice_OFR_Repo.pdf

I II III

IV. Building and implementing macroprudential frameworks and tools

V VI VII VIII IX X

12. Enhancing system-wide monitoring and the use of macro-prudential instruments

G20/FSB Recommendations

Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level. (Rec. 3.1, FSF 2009)

We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)

Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)

Remarks

Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.

Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness.

See, for reference, the following documents:

- FSB-IMF-BIS progress report to the G20 on [Macroprudential policy tools and frameworks \(Oct 2011\)](#)
- CGFS report on [Operationalising the selection and application of macroprudential instruments \(Dec 2012\)](#)
- IMF staff papers on [Macroprudential policy, an organizing framework \(Mar 2011\)](#), [Key Aspects of Macroprudential policy \(Jun 2013\)](#), and [Staff Guidance on Macroprudential Policy \(Dec 2014\)](#)
- IMF-FSB-BIS paper on [Elements of Effective Macroprudential Policies: Lessons from International Experience \(Aug 2016\)](#)
- CGFS report on [Experiences with the ex ante appraisal of macroprudential instruments \(Jul 2016\)](#)
- CGFS report on [Objective-setting and communication of macroprudential policies \(Nov 2016\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of

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I

II

III

IV. Building and implementing macroprudential frameworks and tools

V

VI

VII

VIII

IX

X

12. Enhancing system-wide monitoring and the use of macro-prudential instruments

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

FSOC was established in 2010 by the Dodd-Frank Act to bring together federal and state financial regulators to look across the financial system to identify risks to the U.S. financial system. Specifically, the Council's statutory responsibilities are to identify risks to U.S. financial stability, promote market discipline, and respond to emerging threats to the stability of the U.S. financial system. In October 2012, the SEC proposed capital and margin requirements for security-based swap dealers ("SBSDs") and major security-based swap participants ("MSBSPs"), segregation requirements for SBSDs, and notification requirements with respect to segregation for SBSDs and MSBSPs. In October 2018, the Commission re-opened the comment period for 30 days (until November 19, 2018) for the proposed capital, margin, and segregation requirements for SBSDs and MSBSPs proposed in 2012. See Capital, Margin, and Segregation Requirements for Security-Based Swap Dealers and Major Security-Based Swap Participants and Capital Requirements for Broker-Dealers, Exchange Act Release No. 84409 (Oct. 11, 2018), 83 FR 53007 (Oct. 19, 2018). July 2013, the FDIC, Federal Reserve and OCC finalized rules implementing key provisions of Basel III, including the countercyclical capital buffer; in September 2014, these agencies finalized the liquidity coverage ratio, a rule for a standardized minimum liquidity requirement. In May 2016, the U.S. banking agencies issued the Net Stable Funding Ratio Notice of Proposed Rulemaking, a one-year liquidity standard looking at the stability of a bank's funding profile. In October 2012, the Federal Reserve issued rules for stress testing, which is a tool to help ensure that financial firms can weather a severe economic and financial downturn without posing significant risks to the general economy. In 2014 and 2015, the Federal Reserve finalized a rule for a risk-based capital surcharge and leverage surcharge for G-SIBs based on a firm's systemic risk profile. In October 2014, the CFTC issued a Notice of Proposed Rulemaking on Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants proposing draft implementing regulations for both initial margin and variation margin under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Other actions: The FSOC and member agencies are engaged in systematic monitoring of potential risks to the financial system. The FSOC's annual report reviews conditions at financial institutions, in financial markets, and across the broader economy for potential threats and makes recommendations to address emerging threats annually. These reviews include analysis of structural and cyclical issues and consider a wide range of factors, including asset valuations, debt and leverage, and maturity transformation. The OFR produces reports monitoring the evolution of similar factors regularly, including publishing a Financial Stability Vulnerabilities Monitor and an annual Financial Stability Report. The Federal Reserve has communicated its assessment of vulnerabilities to financial stability regularly in its Monetary Policy Report; moreover, the Federal Reserve has communicated, in broad terms, how these assessments are used in the Board's determination of the appropriate setting of the countercyclical capital buffer.

In December 2015, the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Fair-

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I

II

III

IV. Building and implementing macroprudential frameworks and tools

V

VI

VII

VIII

IX

X

12. Enhancing system-wide monitoring and the use of macro-prudential instruments**Update and next steps****Highlight main developments since last year's survey**

The Prudential Regulators moved forward with the implementation schedule set out in the swap margin rules described above. Registered swap dealers were required to begin exchanging daily mark-to-market margin with all financial counterparties by March 1, 2017. On September 1, 2017, the obligation for registered swap dealers to exchange initial margin with financial counterparties extended to those with swap portfolios that exceed \$2.25 trillion.

In December 2015, the Congress repealed the indemnification provisions of the SDR data access for US regulatory agencies. That will allow prudential regulators and financial stability authorities access to the OTC derivatives data to monitor safety and soundness of the financial system and financial stability of the US markets. On January 13, 2017, the CFTC proposed changes to swap data rules that implement the Congressional action to remove the indemnification requirements for the use of swap data by other regulators. In December 2016, the Federal Reserve adopted final total loss absorbing capacity (TLAC) and long-term debt requirements for the U.S.-based global systemically important banks (GSIBs) and the intermediate holding companies of foreign GSIBs. These requirements should help improve the resolvability of the most systemic banks operating in the United States. In September 2016, the Federal Reserve Board finalized its framework for setting the Countercyclical Capital Buffer (CCyB) and in December 2017 voted to affirm the CCyB amount at the current level of 0 percent consistent with the continued moderate level of financial vulnerabilities. In making its determination on the level of the CCyB, the Board consulted with the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency. Consistent with the Board, neither the OCC, nor the FDIC, have increased the CCyB (currently set at zero percent) applicable to banking organizations subject to their respective jurisdictions. In April 2018, the Board and OCC proposed changes to their enhanced supplementary leverage ratio requirements applicable to GSIBs. The April 2018 proposal would revise the Board's and OCC's enhanced supplementary leverage ratio requirements by replacing the current enhanced supplementary leverage ratio surcharge

Planned actions (if any) and expected commencement date**Relevant web-links****Web-links to relevant documents**

<http://www.sec.gov/rules/proposed/2012/34-68071.pdf>
<http://www.cftc.gov/idx/groups/public/@lrfederalregister/documents/file/2015-32320a.pdf>
<http://www.cftc.gov/PressRoom/PressReleases/pr7192-15>
<https://www.gpo.gov/fdsys/pkg/FR-2015-11-30/pdf/2015-28670.pdf>
<https://www.congress.gov/bill/114th-congress/house-bill/22/text>
<http://www.federalreserve.gov/newsevents/press/bcreg/20130702a.htm>



I II III IV

V. Improving oversight of credit rating agencies (CRAs)

VI VII VIII IX X

13. Enhancing regulation and supervision of CRAs

G20/FSB Recommendations

All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)

National authorities will enforce compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.

CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.

The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)

Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)

We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)

Remarks

Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:

- [Code of Conduct Fundamentals for Credit Rating Agencies \(Mar 2015\)](#) (including on governance, training and risk management)

Jurisdictions may also refer to the following IOSCO documents:

- Principle 22 of [Principles and Objectives of Securities Regulation \(Jun 2010\)](#) which calls for registration and oversight programs for CRAs
- [Statement of Principles Regarding the Activities of Credit Rating Agencies \(Sep 2003\)](#)
- [Final Report on Supervisory Colleges for Credit Rating Agencies \(Jul 2013\)](#)

Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 01.06.2007

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

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I II III IV

V. Improving oversight of credit rating agencies (CRAs)

VI VII VIII IX X

13. Enhancing regulation and supervision of CRAs

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

Credit Rating Agency Reform Act of 2006 (Rating Agency Act) established self-executing requirements for nationally recognized statistical rating organizations (NRSROs) and provided the SEC with exclusive authority to implement a registration and oversight program for NRSROs. In June 2007, the SEC approved rules implementing a registration and oversight program for NRSROs, which became effective that same month. Since adopting the implementing rules in 2007, the SEC has adopted additional amendments to its NRSRO rules. The statutory and regulatory requirements in the U.S. for NRSROs are consistent with the IOSCO Statement of Principles Regarding the Activities of Credit Rating Agencies and the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies. The IOSCO C6 Report on Regulatory Implementation of the Statement of Principles Regarding the Activities of Credit Rating Agencies, published in its final form in February 2011, concluded that the objectives of the IOSCO Statement of Principles Regarding the Activities of Credit Rating Agencies are embedded into all member jurisdictions' programs. The Dodd-Frank Act contains a number of provisions designed to strengthen the SEC's regulatory oversight of NRSROs, including self-executing requirements and grants of rulemaking authority to the SEC. On May 18, 2011, the SEC voted to propose new rules and amendments that would implement certain provisions of the Dodd-Frank Act and enhance the SEC's existing rules governing credit ratings and NRSROs. On August 27, 2014, the SEC adopted new requirements for credit rating agencies to enhance governance, protect against conflicts of interest, and increase transparency to improve the quality of credit ratings and increase credit rating agency accountability. The new rules and amendments, which implement 14 rulemaking requirements under the Dodd-Frank Act, apply to credit rating agencies registered with the Commission as NRSROs. In May 2009, IOSCO created the Committee on Credit Rating Agencies - Committee 6 (C6), currently chaired by the SEC. Consistent with the IOSCO Final Report on Supervisory Colleges for Credit Rating Agencies, the SEC formed Supervisory Colleges (Colleges) for each of the large, globally active CRAs (Fitch, Moody's, and S&P) and held the first in-person meetings in November 2013. The Colleges serve as a resource for CRA supervisors by facilitating, among other things, information exchange. The Colleges have quarterly calls and an annual, in-person meeting.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I II III IV

V. Improving oversight of credit rating agencies (CRAs)

VI VII VIII IX X

13. Enhancing regulation and supervision of CRAs

Update and next steps

Highlight **main developments since last year's survey**

The 2017 Supervisory Core and General College Meetings took place in Washington DC in December 2017.

Planned actions (if any) and expected commencement date

In February 2015, IOSCO announced that C6 began a new project focussed on gaining a better understanding of the credit rating industry and in particular certain other products or services. (Other CRA Products). IOSCO has since published a final report.

Relevant web-links

Web-links to relevant documents

<http://www.sec.gov/rules/final/2007/34-55857.pdf>
<http://www.sec.gov/rules/final/2009/34-59342.pdf>
<http://www.sec.gov/rules/final/2014/34-72936.pdf>
<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD416.pdf>
<http://www.iosco.org/library/pubdocs/pdf/IOSCOPD482.pdf>
<https://www.iosco.org/news/pdf/IOSCONEWS363.pdf>



I II III IV

V. Improving oversight of credit rating agencies (CRAs)

VI VII VIII IX X

14. Reducing the reliance on ratings

G20/FSB Recommendations

We also endorsed the FSB's principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)

Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)

We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)

We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that would enhance transparency of and competition among credit rating agencies. (Los Cabos)

We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)

Remarks

Jurisdictions should indicate the steps they are taking to address the recommendations of the [May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings](#), including by implementing their [agreed action plans](#). Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.

Jurisdictions may refer to the following documents:

- FSB [Principles for Reducing Reliance on CRA Ratings \(Oct 2010\)](#)
- FSB [Roadmap for Reducing Reliance on CRA Ratings \(Nov 2012\)](#)
- BCBS [Basel III: Finalising post-crisis reforms \(Dec 2017\)](#)
- IAIS [ICP guidance](#) 16.9 and 17.8.25
- IOSCO [Good Practices on Reducing Reliance on CRAs in Asset Management \(Jun 2015\)](#)
- IOSCO [Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the Use of External Credit Ratings \(Dec 2015\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of July 27, 2011

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

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I II III IV

V. Improving oversight of credit rating agencies (CRAs)

VI VII VIII IX X

14. Reducing the reliance on ratings

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
- ☐ Regulation / Guidelines
- ☐ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

The Dodd-Frank Act requires all Federal agencies to remove any reference to or requirement of reliance on credit ratings in any regulation that requires the use of an assessment of the credit-worthiness of a security or money market instrument. Each Federal agency must replace any such references to credit ratings with an appropriate standard of creditworthiness.

SEC In accordance with Section 939A of the Dodd-Frank Act, on July 27, 2011, the SEC adopted rule amendments removing references to credit ratings as one of the conditions for companies seeking to use short-form registration when registering securities for public sale. In December 2013, the SEC issued final rules removing references to credit ratings from rules that permit registered investment companies to look through repurchase agreements to the underlying collateral securities for certain purposes, that apply to broker-dealer financial responsibility, distributions of securities, and confirmations of transactions. In September 2015, the SEC issued final rules to remove ratings from the rule governing the operation of money market funds.

OCC, Federal Reserve Board, FDIC On June 13, 2012, the OCC adopted final rule amendments removing references to credit ratings from its regulations pertaining to investment securities, securities offerings, and foreign bank capital equivalency deposits. On the same day, the OCC also published guidance to assist banks in their exercise of due diligence to determine whether particular securities are "investment grade" when assessing credit risk for portfolio investments. On October 11, 2013, the OCC and Federal Reserve Board finalized revisions to their respective regulatory capital rules that included amendments to remove provisions that referenced credit ratings for the purpose of assigning risk-based capital requirements to certain types of assets, including securitization exposures. The FDIC finalized substantially similar revisions to its regulatory capital rules on September 10, 2013. In February 2011, the FDIC issued a rule eliminating the use of long-term debt issuer ratings for calculating risk-based assessments for large institutions. On June 12, 2012, the Federal Reserve Board, OCC and FDIC issued a joint final rule, under section 939(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act that replaced NRSRO credit ratings with a creditworthiness standard applied to state and federal savings associations' investments in corporate debt securities. The FDIC simultaneously issued final guidance that set forth due diligence standards for determining the credit quality of a corporate debt security. In February 2018, the FDIC approved a final rule that revised FDIC's Part 347, to address references to credit ratings as a standard of creditworthiness and replace them with alternative standards. Between July and December 2011, the CFTC issued three final rules on removing reference to, or reliance on credit ratings in Commission regulations and proposed alternatives to the use of credit ratings, amending existing CFTC regulations in accordance with the Dodd-Frank Act. The first two final rules are applicable to futures commission merchants ("FCMs"), derivatives clearing organizations ("DCOs"), and commodity pool operators ("CPOs"). The third applies to designated contract markets ("DCMs"), DCOs, swap execution facilities ("SEFs"), and swap data repositories ("SDRs"), removing reference to credit ratings for these registrants. Furthermore, rulemaking has taken place with respect to intermediaries, to establish, maintain, and enforce a robust risk management system which is: independent, involves the due diligence and appropriate review of senior management, guided by policies and procedures, run by appropriate staff, and capable of identifying risk.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I II III IV

V. Improving oversight of credit rating agencies (CRAs)

VI VII VIII IX X

14. Reducing the reliance on ratings

Update and next steps

Highlight **main developments since last year's survey**

In 2017, FHFA issued a proposed rule that would remove the references to NRSRO credit ratings from its regulations governing the FHLBanks' risk-based capital requirements and unsecured credit limits, and would require the FHLBanks to use their own internal credit ratings as the basis for calculating both of those regulatory limits.

Planned actions (if any) and expected commencement date

FHFA anticipates issuing a final regulation in the fourth quarter of 2018.

Relevant web-links

Web-links to relevant documents

<http://www.sec.gov/rules/final/2011/33-9245.pdf>
<http://www.sec.gov/rules/final/2013/33-9506.pdf>;
<http://www.sec.gov/rules/final/2013/34-71194.pdf>
<http://www.sec.gov/rules/final/2015/ic-31828.pdf>
<http://www.occ.gov/news-issuances/federal-register/77fr35253.pdf>
<http://www.occ.gov/news-issuances/federal-register/77fr35259.pdf>



I II III IV V

VI. Enhancing and aligning accounting standards

VII VIII IX X

15. Consistent application of high-quality accounting standards

G20/FSB Recommendations

Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)

Remarks

Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards.

Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: <http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx>.

As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value recognition, measurement and disclosure.

In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.

See, for reference, the following BCBS documents:

- [Supervisory guidance for assessing banks' financial instrument fair value practices \(Apr 2009\)](#)
- [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#)
- [Regulatory treatment of accounting provisions - interim approach and transitional arrangements \(March 2017\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I II III IV V

VI. Enhancing and aligning accounting standards

VII VIII IX X

15. Consistent application of high-quality accounting standards

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
- ☐ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

The U.S. Securities and Exchange Commission (SEC) has the responsibility under the U.S. securities laws to establish accounting standards for public companies, and has recognized the Financial Accounting Standards Board (FASB) as a designated private sector accounting standard setter. U.S. Generally Accepted Accounting Principles (GAAP) accounting standards are issued by the FASB and considered a basis of accounting that is high quality. To fulfil its oversight responsibilities, the SEC staff works closely with the FASB to ensure that U.S. GAAP is of high quality and can be consistently applied. U.S. GAAP financial statements are subject to external audit by public accounting firms. Furthermore, based on company parameters, the audits include audits of internal controls over financial reporting as well as governance requirements pursuant to federal legislation (Sarbanes-Oxley Act of 2002 and 12 U.S.C. 1831m). SEC staff selectively reviews corporate filings to monitor and enhance compliance with applicable disclosure and accounting requirements and brings enforcement actions when appropriate. Additionally, the SEC is a member of IOSCO, which maintains a database and discussion arrangements for sharing securities regulators' experiences on International Financial Reporting Standards (IFRS) application around the world. IOSCO's Committee 1 meets periodically with the IASB staff to discuss these matters, and coordinates periodic database conference calls to discuss IOSCO members' emerging IFRS issues.

Prudential Supervision of Banks:

Regulatory reports of a financial reporting nature filed with the U.S. banking agencies follow U.S. GAAP. U.S. banking regulators regularly monitor significant changes to accounting standards that may significantly affect financial institutions and routinely provide comments on such proposals. The banking regulators also routinely meet with standard setters, representatives from audit firms and financial institutions, and the SEC to discuss financial accounting and implementation matters. In addition, the U.S. banking agencies are also members of the Basel Committee's Accounting Experts Group where global accounting and auditing issues are addressed. U.S. banking regulators regularly issue regulatory reporting guidance that is consistent with U.S. GAAP and issue policy guidance as necessary.

Supervision of Insurance Companies:

Similar to the U.S. banking regulators, the Federal Insurance Office (FIO), the Federal Reserve, state insurance regulators and the National Association of Insurance Commissioners (NAIC) regularly consult with key constituents in the accounting and auditing professions, including standard-setters, audit firms, financial institutions and trade groups to facilitate understanding of domestic and international practices; proposed accounting, auditing and regulatory standards; and the interactions between accounting standards and regulatory reform efforts. The FIO, the Federal Reserve, state insurance regulators and the NAIC are the U.S. based members of the International Association of Insurance Supervisors (IAIS). The U.S. based members participate in the IAIS Accounting and Auditing Working Group, representing their respective organizations at international meetings on accounting, auditing and disclosure issues affecting global insurance organizations. +

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I II III IV V

VI. Enhancing and aligning accounting standards

VII VIII IX X

15. Consistent application of high-quality accounting standards

Update and next steps

Highlight main developments since last year's survey

In 2018, U.S. public companies began applying new accounting standards on revenue recognition (FASB Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606)) and recognition and measurement of financial instruments (FASB ASU No. 2016-01, Financial Instruments—Overall: Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10)).

Work continued towards implementation of FASB ASU No. 2016-02, Leases (Topic 842), which requires that most leases will be reflected on a lessee's balance sheet as an obligation to make lease payments (a liability) and a related right-of-use asset. Work also continued towards implementation of FASB ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326), which introduces the current expected credit losses methodology (CECL) for estimating allowances for credit losses. The Chief Accountants of the U.S. federal financial institutions regulators have weekly meetings focused on accounting and supervisory matters associated with CECL, and the regulators have continued to issue interagency frequently asked questions (FAQs) to aid supervised institutions in the implementation of CECL. In addition, a newly formed monitoring group under the direction of the Federal Financial Institutions Examination Council (FFIEC) Task Force on Supervision (TFOS) has begun work on reviewing and revising interagency guidance and training on and for the implementation of CECL. The agencies continue to monitor implementation issues arising from the credit losses standard and will provide comments on significant proposed interpretations of the standard as observers of the FASB's Transition Resource Group (TRG) for Credit Losses and through other routine discussions with standard setters. Other ongoing initiatives include updating and providing training for supervised institutions and examiners; meeting with various industry stakeholders (e.g., audit firms, institution managements, and software vendors) and the SEC, FASB, and PCAOB; and updating and/or developing supervisory guidance).

Planned actions (if any) and expected commencement date

Credit Losses - FASB ASU 2016-13, which establishes the new CECL methodology under U.S. GAAP, has a multi-year implementation schedule. For public business entities that are SEC filers, the standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities (PBEs), the standard is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities (i.e., non-PBEs), the standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2021. However, on August 20, 2018, the FASB issued a proposed ASU to require that non-PBEs adopt ASU 2016-13 for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. A final ASU to clarify the Board's intent regarding non-PBE effective date has not yet been issued. Early adoption is permitted for all banks for fiscal years beginning after December 15, 2018.

Throughout the transition period, the U.S. federal financial



Relevant web-links

Web-links to relevant documents

FASB ASU 2016-13 Financial Instruments' Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments:
http://fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176168232528&acceptedDisclaimer=true
 U.S. federal financial institutions regulatory agencies" Joint Statement on the New Accounting Standard on Financial Instruments - Credit Losses:
<https://www.occ.gov/news-issuances/news-releases/2016/nr-ia-2016-69a.pdf>
 U.S. federal financial institutions regulatory agencies" Frequently Asked Questions on the New Accounting Standard on Financial Instruments - Credit Losses:
<https://www.occ.gov/news-issuances/bulletins/2016/bulletin-2016-45a.pdf>



I II III IV V VI

VII. Enhancing risk management

VIII IX X

16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

G20/FSB Recommendations

Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)

National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)

Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)

We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)

Remarks

Jurisdictions should indicate the measures taken in the following areas:

- guidance to strengthen banks' risk management practices, including BCBS good practice documents ([Corporate governance principles for banks](#), [External audit of banks](#), and the [Internal audit function in banks](#));
- measures to monitor and ensure banks' implementation of the BCBS [Principles for Sound Liquidity Risk Management and Supervision \(Sep 2008\)](#);
- measures to supervise banks' operations in foreign currency funding markets;¹ and
- extent to which they undertake stress tests and publish their results.

Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital requirements for CCPs), since these are [monitored separately by the BCBS](#).

¹ Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of September 3, 2014

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I	II	III	IV	V	VI	VII. Enhancing risk management	VIII	IX	X
16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks									

Progress to date	
<p>Issue is being addressed through</p> <p> <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions) </p> <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Liquidity and Risk Management On May 3, 2016, the federal banking agencies proposed a rule to strengthen the resilience of large banking organizations by requiring them to maintain a minimum level of stable funding relative to the liquidity of their assets, derivatives, and commitments, over a one-year period. This Net Stable Funding Ratio proposal would complement the liquidity coverage ratio rule, discussed below. The proposed rule would be tailored to the risk of the banking organizations. The rule would not apply to holding companies with less than \$50 billion in total consolidated assets and would not apply to community banks. Holding companies subject to the proposal would be required to publicly disclose information about their NSFR levels each quarter. The Federal Reserve Board, along with the FDIC and OCC, finalized the Basel III liquidity coverage ratio (LCR) for large U.S. banking firms in 2014. On December 19, 2016, the Federal Reserve Board finalized a rule to implement public disclosure requirements for the LCR rule. In 2017, the federal banking agencies issued frequently asked questions that provide responses to questions that have been received regarding how the rule applies in specific situations. In 2014, the Federal Reserve Board approved a final rule strengthening supervision and regulation of large U.S. bank holding companies and foreign banking organizations, as required by section 165 of the Dodd-Frank Act. The final rule establishes a number of enhanced prudential standards for large U.S. bank holding companies and foreign banking organizations to help increase the resiliency of their operations. These standards include liquidity, risk management, and capital. For example, the rule requires certain banking organizations to comply with enhanced risk-management and liquidity risk-management standards, conduct liquidity stress tests, and hold a buffer of highly liquid assets based on projected funding needs during a 30-day stress event. It also requires a foreign banking organization with a significant U.S. presence to establish an intermediate holding company over its U.S. subsidiaries, which will facilitate consistent supervision and regulation of the U.S. operations of the foreign bank. In 2016, the Federal Reserve Board, the FDIC, and the OCC issued guidance to address weaknesses observed in large financial institutions' funds transfer pricing (FTP) practices related to funding risk and contingent liquidity risk. The guidance builds on the principles of sound liquidity risk management described in the "Interagency Policy Statement on Funding and Liquidity Risk Management" issued by the Federal Reserve Board, FDIC, and OCC, and in the "Principles for Sound Liquidity Risk Management and Supervision" issued by the Basel Committee on Banking Supervision. In 2015, the Federal Reserve Board issued guidance to explain its supervisory expectations for capital planning at (1) Large Institution Supervision Coordinating Committee (LISCC), (2) large and complex bank holding companies and intermediate holding companies of foreign banking organizations, and (3) large and noncomplex bank holding companies and intermediate holding companies of foreign banking organizations. These expectations are consistent with the broad supervisory expectations set forth in SR letter 12-17/CA letter 12-14, "Consolidated Supervision Framework for Large Financial Institutions." The guidance provides the Federal Reserve Board's core capital planning expectations for these firms, building upon the capital planning requirements in the Federal Reserve Board's capital plan rule and stress test rules. In 2016, the federal banking agencies issued for comment an advanced notice of proposed rulemaking regarding enhanced cyber risk management standards for large and interconnected entities and those entities' service providers.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I II III IV V VI

VII. Enhancing risk management

VIII IX X

16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

Update and next steps

Highlight **main developments since last year's survey**

Related to the discussion above, U.S. regulators issued frequently asked questions that provide responses to questions that have been received regarding how the liquidity coverage ratio rule applies in specific situations.

Planned actions (if any) and expected commencement date

The Federal Reserve Board, FDIC, and OCC are furthering the goals of implementing the finalized rule on the U.S. Liquidity Coverage Ratio by implementing a Net Stable Funding Ratio. The banking agencies are reviewing public comments received during the comment period and are in the process of developing a final rule.

Relevant web-links

Web-links to relevant documents

<http://www.occ.gov/news-issuances/news-releases/2016/nr-ia-2016-52.html>
<http://www.federalreserve.gov/boarddocs/srletters/2010/sr1006.htm>
<http://www.federalreserve.gov/newsevents/press/bcreg/20131024a.htm>
<http://www.federalreserve.gov/newsevents/press/bcreg/20121009a.htm>
<http://www.federalreserve.gov/newsevents/press/bcreg/20140218a.htm>
<http://www.fhfa.gov/SupervisionRegulation/DoddFrankActStressTests>



I II III IV V VI

VII. Enhancing risk management

VIII IX X

17. Enhanced risk disclosures by financial institutions

G20/FSB Recommendations

Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)

We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)

Remarks

Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on [Enhancing the Risk Disclosures of Banks](#) and [Implementation Progress Report by the EDTF \(Dec 2015\)](#), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.

In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the [Impact of Expected Credit Loss Approaches on Bank Risk Disclosures \(Nov 2015\)](#), as well as the recommendations in Principle 8 of the BCBS [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#).

In their responses, jurisdictions should not provide information on the implementation of Basel III Pillar 3 requirements, since this is [monitored separately](#) by the BCBS.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

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I II III IV V VI

VII. Enhancing risk management

VIII IX X

17. Enhanced risk disclosures by financial institutions

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

The Financial Accounting Standards Board (FASB) issued two accounting standard in 2010: "Improving Disclosures about Fair Value" and "Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses." The disclosures provide users of financial statements with additional information about the nature of a reporting entity's market and credit risks inherent in financial instruments they hold and issue. In 2013, the FASB issued "Financial Instruments (Topic 825): Clarifying the Scope and Applicability of a Particular Disclosure to Nonpublic Entities." The amendments clarify requirements for the level within the fair value hierarchy (Levels 1, 2, and 3 corresponding to ready marketability of a financial instrument) within which the fair value measurements are categorized, and reducing disclosure requirements for nonpublic entities holding or issuing instruments items that are not measured at fair value in the balance sheet. More recently, the FASB has issued guidance for improved disclosure in connection with specific, newly issued Accounting Standards Updates. Additional disclosure is or will be required for short-duration insurance contracts, credit losses, revenue recognition, classification and measurement of financial instruments, and leases when those amendments to U.S. GAAP become effective. For broker-dealers that compute deductions to net capital pursuant to Appendix E to Exchange Act Rule 15c3-1, the SEC has authority to request information that it deems necessary to understand the financial and operational condition of a broker-dealer. Since the financial crisis, SEC staff has requested additional metrics covering specific risk exposures on both an ad hoc and recurring basis. With regard to insurance regulation in the U.S., state insurance regulators use statutory accounting, which includes disclosure of the GAAP fair value hierarchy level for instruments carried at fair value, and the standardized reporting that insurers are required to submit for various purposes, including monitoring the overall risk and financial condition of the industry as a whole. This includes security by security listings and identification of restrictions such as pledges and repurchase agreements, concentration disclosures in the Supplemental Risk Interrogatories, and detailed risk descriptions for the various investment classes in the notes to financial statements. The CFTC has enhanced its customer protection regime over Futures Commission Merchants (FCM) operating in the futures and cleared swap markets. As part of these enhancements, FCMs are now required under Regulation 1.55 to provide firm specific disclosures to customers, including but not limited to, most recent financial data, significant business lines, and other material operating information. The Federal Reserve Board issued a final rule in December 2016 that requires certain companies subject to the liquidity coverage ratio (LCR) rule to publicly disclose information about their LCR results in a standardized tabular format. These companies are required to provide the disclosures after each calendar quarter.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I II III IV V VI

VII. Enhancing risk management

VIII IX X

17. Enhanced risk disclosures by financial institutions

Update and next steps

Highlight main developments since last year's survey

The disclosure requirements of Pillar 3 are being done in phases. The BCBS issued the first phase of the revised Pillar 3 disclosure requirements in January 2015. The consultative document for the second phase of the Pillar 3 review was published in March 2016. The U.S. will consider issuing a proposed rulemaking to implement the revised Pillar 3 standards with implementation likely being no earlier than end of 2018. The NAIC has modified the NAIC Holding Company Act, which became an accreditation standard in 2016, to require a new filing, the Form F-Enterprise Risk Report. The updates require the ultimate controlling entity to file a report that describes enterprise risk to which the group is exposed, and to which the insurance company is subjected. This is achieved by requiring the ultimate controlling party to disclose in the Form F report "...any material activity or development of the insurance holding company system that, in the opinion of senior management, could adversely affect the insurance holding company system." The NAIC has also adopted an Own Risk and Solvency Assessment (ORSA) which requires, among other things, the annual filing of a group ORSA Summary Report that state insurance regulators will use to help assess the risk management of insurance groups doing business in the U.S. The NAIC developed an ORSA model law which became an accreditation standard in 2018, many of which required the ORSA Summary Report to be filed for the first time in 2015.

Planned actions (if any) and expected commencement date

Pillar 3 - The U.S. will consider issuing a plans to issue a proposed rulemaking during the first half of 2017 to implement the revised Pillar 3 standard issued by the BCBS in January 2015. The expected implementation date by banks in the U.S. will likely be no earlier than the end of 2018. In 2018, the NAIC finalized its expectations with respect to the Form F enterprise risk report through the issuance of an implementation guide dated March 24, 2018. Also in 2018, the NAIC will continue to gather information to maximize the effectiveness of the ORSA, and will consider among other things, ways to continue to increase the involvement of the regulatory actuary.

Relevant web-links

Web-links to relevant documents

<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=81eedd5ca275d84f5eaf694af12003be&rgn=div8&view=text&node=17:3.0.1.1.2.95.328&idno=17>

<https://www.federalreserve.gov/newsevents/pressreleases/bcreg20161219a.htm>

I II III IV V VI VII

VIII. Strengthening deposit insurance

IX X

18. Strengthening of national deposit insurance arrangements

G20/FSB Recommendations

National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)

Remarks

Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system.

All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI [Core Principles for Effective Deposit Insurance Systems](#) (November 2014).

In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance (based on IADI's 2016 [Handbook](#)) with the revised Core Principles:

- If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps;
- If not, jurisdictions should indicate any plans to undertake a self-assessment exercise.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 15/11/2016

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

	I	II	III	IV	V	VI	VII	VIII. Strengthening deposit insurance				IX	X
18. Strengthening of national deposit insurance arrangements													

Progress to date	
<p>Issue is being addressed through</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions)</p> <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>The United States has two federally mandated, explicit deposit insurance systems depending on the type of institution: (1) deposits in banks and savings associations (thrifts) are insured by the Federal Deposit Insurance Corporation (FDIC); and (2) deposits in credit unions are insured under a separate legislative mandate by the National Credit Union Administration (NCUA). There were no weaknesses or gaps to full implementation of the Core Principles for Effective Deposit Insurance Systems identified for the U.S. system in the FSB's peer review on deposit insurance systems.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I II III IV V VI VII

VIII. Strengthening deposit insurance

IX X

18. Strengthening of national deposit insurance arrangements

Update and next steps

Highlight **main developments since last year's survey**

In March 2016, the FDIC approved a final rule to implement section 334 of the Dodd-Frank Act, which increases the minimum required reserve ratio of the Deposit Insurance Fund from 1.15 percent to 1.35 percent; requires that the reserve ratio reach that level by September 30, 2020; and mandates that the FDIC "offset the effect of (the increase in the minimum reserve ratio from 1.15 percent to 1.35 percent) on insured banks with total consolidated assets of less than \$10 billion." To implement these requirements, the final rule imposes surcharges on the quarterly assessments of banks with total consolidated assets of \$10 billion or more beginning July 1, 2016. These surcharges continued through 2017 and will continue through the quarter that the reserve ratio first reaches or exceeds 1.35 percent, but not later than the end of 2018. If the reserve ratio has not reached 1.35 percent by then, the FDIC will impose a shortfall assessment on large banks in early 2019. No substantial changes were made to the FDIC deposit insurance system in 2017. A self-assessment of compliance with the revised IADI Core Principles is not anticipated in 2018.

Planned actions (if any) and expected commencement date

Relevant web-links

Web-links to relevant documents

<https://www.gpo.gov/fdsys/pkg/FR-2016-03-25/pdf/2016-06770.pdf>

I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

19. Enhancing market integrity and efficiency

G20/FSB Recommendations

We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)

Remarks

Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.

Jurisdictions should indicate the progress made in implementing the recommendations:

- in relation to dark liquidity, as set out in the IOSCO [Report on Principles for Dark Liquidity \(May 2011\)](#).
- on the impact of technological change in the IOSCO [Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency \(Oct 2011\)](#).
- on market structure made in the IOSCO Report on [Regulatory issues raised by changes in market structure \(Dec 2013\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets				X
19. Enhancing market integrity and efficiency												

Progress to date	
<p>Issue is being addressed through</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions)</p> <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>Recommendations from the Final Report on Regulatory Issues raised by the Impact of Technological Changes on Market Integrity and Efficiency (Recommendations) 1-5 and Principles from the Final Report on Principles for Dark Liquidity (Dark Liquidity Principles) 1-6 are already covered by various provisions of the Securities Exchange Act of 1934, the rules and regulations thereunder and various self-regulatory organization rules. However, the SEC continually evaluates all aspects of market structure, including the issues described in the Recommendations and Dark Liquidity Principles. On June 4, 2013, the CFTC adopted final rules regarding the Core Principles and Other Requirements for Swap Execution Facilities (SEF Final Rules). The SEF Final Rules requires a Swap Execution Facility (SEF) to establish and maintain risk control mechanisms to reduce the potential risk of market disruptions. To help enhance efficiency of the to-be-announced (TBA) market in which pass-through mortgage-backed securities issued by Fannie Mae, Freddie Mac, and Ginnie Mae are traded, FHFA directed Fannie Mae and Freddie Mac to develop a common single security. The single security would help to strengthen the U.S. mortgage market by expanding liquidity in the TBA market, thereby lowering the cost of housing finance and benefitting borrowers, taxpayers, and investors.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets	X
19. Enhancing market integrity and efficiency									

Update and next steps	
<p>Highlight main developments since last year's survey</p> <p>On December 17, 2015, the CFTC published proposed rules on automated trading (Regulation AT). See http://www.cftc.gov/idc/groups/public/@lrfederalregister/documents/file/2015-30533a.pdf. On November 25, 2016, the CFTC published supplementary proposed rules that would amend certain requirements of Regulation AT (Supplemental Proposal). See http://www.cftc.gov/idc/groups/public/@lrfederalregister/documents/file/2016-27250c.pdf. The proposed rules, together with the Supplemental Proposal, cover risk controls, transparency measures, and other safeguards to enhance the regulatory regime for automated trading on U.S. designated contract markets (DCMs). On December 14, 2017, FHFA published "An Update on Implementation of the Single Security and the Common Securitization Platform," and on September 12, 2018, it published a proposed rule for its Uniform MBS (single-security). On March 14, 2018, the SEC proposed conducting a Transaction Fee Pilot in national market systems stocks to study the effects that transaction-based fees and rebates may have on order routing behaviour, execution quality, and market quality. See https://www.sec.gov/rules/proposed/2018/34-82873.pdf. On April 18, 2018, SEC Chairman Jay Clayton delivered a speech in which he outlined his views on a principled approach to equity market structure regulation and his top areas of focus for enhancing equity market structure. See https://www.sec.gov/news/speech/speech-Clayton-2018-04-10, and the SEC staff hosted a Roundtable on Market Structure for Thinly Traded Securities (April 23, 2018), and a Roundtable on Combating Retail Investors Fraud (September 26, 2018). In addition, the SEC adopted amendments to Regulation ATS to enhance operational transparency and regulatory oversight of ATSs that trade stocks listed on a national securities exchange.</p>	<p>Planned actions (if any) and expected commencement date</p> <p>In October 2018, the SEC will hold a Roundtable on Market Data and Markets Access.</p>

Relevant web-links	
<p>Web-links to relevant documents</p>	<p>SEC Roundtables https://www.sec.gov/spotlight/equity-market-structure-roundtables. SEC Roundtable on Regulatory Approaches to Combatting Retail Investor Fraud at https://www.sec.gov/news/press-release/2018-200 SEC Market Data and Market Access Roundtable at https://www.sec.gov/news/press-release/2018-210. SEC concept release to review the US equity market structure: http://www.sec.gov/rules/concept/2010/34-61358.pdf SEC ATS Amendments https://www.sec.gov/rules/final/2018/34-83663.pdf</p>

I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

20. Regulation and supervision of commodity markets

G20/FSB Recommendations

We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)

We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)

Remarks

Jurisdictions should indicate whether commodity markets of any type exist in their national markets.

Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on [Principles for the Regulation and Supervision of Commodity Derivatives Markets \(Sep 2011\)](#).

Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the [update to the survey](#) published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 7/22/2011 and 5/29/2012

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

- ☐ Draft in preparation, expected publication by [redacted]
☐ Draft published as of [redacted]
☐ Final rule or legislation approved and will come into force on [redacted]
☐ Final rule (for part of the reform) in force since [redacted]

I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

20. Regulation and supervision of commodity markets

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

The CFTC large trader reporting program for futures ("LTRP") requires daily reports to the CFTC with respect to commodity futures and options positions held above a CFTC-specified level. In 2011, the CFTC issued final regulations expanding the LTRP to swaps on certain physical commodities. In 2012, the CFTC adopted the Final Rulemaking on Core Principles and Other Requirements for Designated Contract Markets ("DCM Final Rules"). The Commodity Exchange Act (CEA) section 4a, as amended by the Dodd-Frank Act, provides the Commission with broad authority to set position limits. CEA section 5(d)(2) requires designated contract markets ("DCMs") to establish, monitor, and enforce compliance with rules prohibiting abusive trade practices, have the capacity to detect, investigate, and sanction persons that violate its rules, and obtain any necessary information, including the capacity to carry out any international information sharing agreements as required by the CFTC. CEA section 5(d)(4) requires DCMs to have the capacity and responsibility to prevent manipulation, price distortion, and disruptions of the delivery or cash-settlement process through market surveillance, compliance, and enforcement practices and procedures. CEA section 5(d)(5) provides that DCMs adopt position limits or position accountability as is necessary and appropriate to reduce the potential threat of market manipulation. CEA section 5(d)(8) requires DCMs to publish daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded contracts on the contract market. CEA section 5(d)(9) requires DCMs to provide a competitive, open and efficient market and mechanism for executing transactions that protects price discovery process of trading in the centralized market of the DCM. On June 4, 2013, the CFTC adopted final rules regarding the Core Principles and Other Requirements for Swap Execution Facilities (SEF Final Rules). CEA Section 5h(f)(2) requires SEFs to establish and enforce trading, trade processing, and participation rules that will deter abuses and have the capacity to detect, investigate, and enforce those rules. CEA section 5h(f)(4) requires SEFs to monitor trading in swaps to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process through surveillance, compliance, and disciplinary practices and procedures. CEA section 5h(f)(5) requires SEFs to establish rules to obtain necessary information and provide the information to the CFTC upon request, and have the capacity to carry out any international information sharing agreements the CFTC requires. CEA section 5h(f)(6) provides that SEFs adopt position limits or position accountability as is necessary and appropriate to reduce the potential threat of market manipulation. CEA section 5h(f)(9) requires SEFs to publicize information on price, trading, volume, and other trading data on swaps. CEA section 4c(a) prohibits certain trading practices that are disruptive of fair and equitable trading. In 2011, the CFTC issued a proposed order to provide interpretive guidance regarding the three disruptive trading practices set forth in section 4c(a)(5) of the CEA. In 2012, the CFTC issued final rules implementing a framework for real-time reporting of swap transaction data. CEA section 2(a)(13)(G) requires all swaps, including commodity swaps, to be reported to a swap data repository ("SDR"). CEA section 21(b) directs the CFTC to prescribe standards for swap data reporting and requires SDRs to provide direct access to the CFTC. In 2012, the CFTC issued final rules establishing requirements for reporting swaps data to an SDR. For swaps executed on a SEF or DCM, data is to be reported by the SEF or DCM to the SDR. CEA section 2(a)(13) establishes standards and requirements for the real-time reporting and public availability of certain swap transaction and pricing data. +

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

20. Regulation and supervision of commodity markets

Update and next steps

Highlight main developments since last year's survey

In 2012, a federal court vacated the CFTC's amended position limits rule, which was subsequently re-proposed on November 7, 2013 and December 5, 2016. The re-proposed position limits would provide position limits for 25 "core" futures contracts, which include contracts for 19 agricultural commodities (including the nine "legacy" futures contracts currently subject to CFTC position limits in CFTC Regulation 150.2), five metal commodities and four energy commodities. On December 5, 2016, the CFTC adopted an amendment to modify the aggregation provisions of its proposed position limit rule. On June 14, 2016, the CFTC adopted amendments to the swap data recordkeeping and reporting requirements for cleared swaps to provide additional clarity on reporting obligations for cleared swaps and to improve the efficiency of data collection and maintenance associated with reporting of such swaps. On September 8, 2016, the CFTC adopted enhanced rules on cybersecurity and system safeguards risk analysis for derivatives clearing organizations (DCOs), trading platforms, and SDRs. The rules identify five types of cybersecurity testing as essential to a sound system safeguards program: (1) vulnerability testing, (2) penetration testing, (3) controls testing, (4) security incident response plan testing, and (5) enterprise technology risk assessments. As of May 2018, there are 25 SEFs fully registered with the CFTC.

Planned actions (if any) and expected commencement date

The CFTC is considering proposing rule changes to the rules for swap data repositories.

Relevant web-links

Web-links to relevant documents

CFTC LTRP Rules: <http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/2011-18054a.pdf>
 CFTC OCR Final Rule: <http://www.cftc.gov/idc/groups/public/@lrfederalregister/documents/file/2013-26789a.pdf>
 The Commodity Exchange Act: http://www.law.cornell.edu/uscode/html/uscode07/usc_sup_01_7_10_1.html
 CFTC Final Rule on Swap Data Recordkeeping and Reporting Requirements: <http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/2011-33199a.pdf> (Final Rule); and, <http://www.cftc.gov/idc/groups/public/@lrfederalregister/documents/file/2016-14414a.pdf> (Amendments to Final Rule)
 CFTC Final Rule on Real Time Public Reporting of Swap Transaction Data: <http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/2011-33173a.pdf>



I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets	X
21. Reform of financial benchmarks									

G20/FSB Recommendations

We support the establishment of the FSB's Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO's Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)

Collection of information on this recommendation will continue to be deferred given the forthcoming FSB progress report on implementation of FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO *Principles for Financial Benchmarks*.

I II III IV V VI VII VIII IX

X. Enhancing financial consumer protection

22. Enhancing financial consumer protection

G20/FSB Recommendations

We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)

Remarks

Jurisdictions should describe progress toward implementation of the OECD's [G-20 high-level principles on financial consumer protection \(Oct 2011\)](#).

Jurisdictions may also refer to OECD's [September 2013 and September 2014 reports](#) on effective approaches to support the implementation of the High-level Principles. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation.

Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 7/21/2011

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

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☐ Final rule (for part of the reform) in force since

	I	II	III	IV	V	VI	VII	VIII	IX	X. Enhancing financial consumer protection	
22. Enhancing financial consumer protection											

Progress to date	
<p>Issue is being addressed through</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions)</p> <p>Short description of the content of the legislation/regulation/guideline/other actions</p> <p>CFPB Established by the 2010 Dodd-Frank Act, the Consumer Financial Protection Bureau (CFPB) became fully operational in July 2011. It assumed responsibility for writing regulations implementing many consumer financial services laws. The Dodd-Frank Act also charged the CFPB with conducting and making public studies on several consumer protection related issues associated with specific financial services, including remittances and credit scores. The CFPB is also responsible for consumer protections supervision of large deposit-taking institutions (>\$10 billion in assets), large non-deposit-taking institutions active in the offering financial services to consumers, and all non-deposit-taking institutions providing mortgages and mortgage related services, student loans, and payday lenders.</p> <p>The Federal Insurance Office (FIO), pursuant to its authority under the Dodd-Frank Act, is authorized to "to monitor the extent to which traditionally underserved communities and consumers, minorities . . . and low- and moderate-income persons have access to affordable insurance products regarding all lines of insurance, except health insurance." 31 U.S. Code § 313(C)(1)(B).</p> <p>The mission of the NAIC Market Regulation and Consumer Affairs (D) Committee is to monitor all aspects of the market regulatory process for continuous improvement. This includes market analysis, regulatory interventions with companies and multi-jurisdictional collaboration. The Committee will also review and make recommendations regarding the underwriting and market practices of insurers and producers as those practices affect insurance consumers, including the availability and affordability of insurance. All state insurance regulatory agencies have a consumer protection department to address consumer complaints and inquiries. According to the most recent version of the NAIC Insurance Department Resources Report, in 2015, state insurance regulators responded to 299,625 consumer complaints and 1,878,057 consumer inquiries. State regulators continue to collect market-related information for personal lines annuities, life insurance, long term care insurance, homeowners insurance, and private passenger automobile insurance through the Market Conduct Annual Statement. This information includes key details regarding the timing of claim payments and policy replacements. In February 2016, state regulators appointed a Big Data (D) Working Group to explore insurers' use of big data for claims, marketing, underwriting, and pricing.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>

I II III IV V VI VII VIII IX

X. Enhancing financial consumer protection

22. Enhancing financial consumer protection

Update and next steps

Highlight main developments since last year's survey

In November 2016, the Market Regulation and Consumer Affairs (D) Committee adopted a "Voluntary Market Regulation Certification Program." The voluntary program addresses statutory needs, resource capabilities, training necessities, confidentiality issues, and inter-jurisdictional collaboration in market regulation activities. Following the adoption by the NAIC D Committee, the NAIC Membership implemented a two year pilot program for the "Voluntary Market Regulation Certification Program". The NAIC Membership adopted the Market Conduct Annual Statement Health Blank in 2016. Health insurance carriers will begin reporting 2017 data in 2018. In November 2016, FIO published its first "Report on the on Protection of Insurance Consumers and Access to Insurance" (Report) which highlights a number of issues related to consumer protection including: big data; cyber risk; mitigation of the effects of natural catastrophes; risk classifications; transparency in homeowners coverage; mandatory arbitration clauses; the costs of filing a claim; workers' compensation; life insurance and annuities; long-term care insurance; and unclaimed death benefits.

Planned actions (if any) and expected commencement date

The Federal Insurance Office (FIO) will continue to monitor all aspects of the insurance sector, and will issue its Annual Report by September 30, 2018. Based upon the feedback of the volunteer jurisdictions during the Pilot Program, the "Voluntary Market Regulation Certification Program" may be modified to address any concerns regarding the Program's standards and the impact on state insurance departments. The NAIC Membership will consider the adoption of the "Voluntary Market Regulation Certification Program in 2019.

The NAIC's Casualty Actuarial and Statistical (C) Task Force will develop best practices for the review of predictive models and analytics filed by insurers to justify rates and facilitate training and sharing of expertise regarding predictive analytics. The NAIC broader policy discussions on the use of data in insurance will continue with a focus on following three issues: 1. Review of regulatory framework used to oversee insurers' use of data. 2. Proposal of a mechanism for states to share resources to facilitate the review of insurers' complex models used for underwriting, rating, and claims. 3. Assessment of the data needs and required

Relevant web-links

Web-links to relevant documents

<http://www.consumerfinance.gov/regulations>
<https://www.treasury.gov/initiatives/fio/reports-and-notice/Pages/default.aspx>

I	II	III	IV	V	VI	VII	VIII	IX	X	List of abbreviations used

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Sources of recommendations

- [Hamburg: G20 Leaders' Communique \(7-8 July 2017\)](#)
- [Hangzhou: G20 Leaders' Communique \(4-5 September 2016\)](#)
- [Antalya: G20 Leaders' Communique \(15-16 November 2015\)](#)
- [Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)
- [St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)
- [Los Cabos: The G20 Leaders' Declaration \(18-19 June 2012\)](#)
- [Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)
- [Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)
- [Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)
- [Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)
- [London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)
- [Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)
- [FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)
- [FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)
- [FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)
- [FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)