

# Financial Services Regulatory Outlook 2017

## Key regulatory events for firms in Asia Pacific

### 2017

#### January to April

- BCBS expected publication of revised Basel III framework on **credit risk, operational risk and floors** (Jan)
- BCBS **CCyB, SA-CCR** and capital for **equity investments in funds and exposures to CCPs** in effect (1 Jan)
- HK (**CCyB**) **ratio of 1.25%** in effect (1 Jan)
- SG **REIT managers/individual directors** to prioritise interests of unitholders (1 Jan)
- SG **amendments to MAS Notice 637** commence (1 Jan)
- AU **charitable investment framework** commences (1 Jan)
- FSB report on **fintech** and workshops on effect of **G20/FSB reforms** (early 2017)
- AU aggregate level **general insurance stress test** outcomes (early 2017)
- BCBS end phase OTC derivatives (VM) **margin requirements** phase in (1 Mar)
- AU/HK/SG **OTC margin** requirements commence (1 Mar)
- JP **insurance company field test results** (Mar)
- HK **short position reporting** for all SEHK Designated Securities (Mar)
- AU revised prudential standard on **residential mortgage lending** (Q1)
- **Securities financing data** to global data aggregator (Apr).

#### May to August

- BIS final **FX code of conduct** (May)
- IAIS **ICS version 1.0** (mid 2017)
- IOSCO CPMI guidance on **CCP resilience, resolution and recovery** (mid 2017)
- BCBS draft framework for **stress testing of CCPs** (H1)
- FSB report on **measures to reduce misconduct risk** (H1)
- IOSCO **wholesale market conduct** regulatory toolkit (H1)
- SG limits on **unsecured credit** if 18 times monthly income (1 Jun)
- FSB report on **climate-related financial risk disclosures** (Jun)
- HK professional investor new **client agreement requirements** (Jun)
- **G20 summit** Hamburg (7/8 Jul)
- HK **OTC derivatives phase 2 reporting** in effect (1 Jul)
- AU **prudential standards** on risk management, outsourcing, business continuity management, governance, fit and proper, intragroup transactions and exposures, aggregate risk exposures and audit become effective (1 Jul).

#### September to December

- IAIS **ICS data** due for 2017 confidential reporting process (Sep)
- SG **non-bank financial institutions OTC derivatives reporting** (interest rate/credit derivatives)(1 Nov)
- **G-SII cohort 2016** to have **systemic risk/liquidity plans** (Dec)
- AU **residential mortgage lending data reporting** requirements commence (Dec)
- AU **industry funding** of ASIC commences (H2)
- AU launch of **New Payments Platform** (H2)
- HK white paper on **distributed ledger technology** (H2)
- FSB guidance on **compensation and conduct** and recommendations for **reporting and collection of data** (end)
- IOSCO **funds' liquidity mismatch** recommendations to be operationalised (end 2017)
- **Asia regional passport** funds to be implemented domestically (end 2017).

#### During 2017

- HK **NSFR and securitisation framework** draft rules
- SG **leverage ratio and large exposures** draft rules
- AU draft rules on capital requirements for **equity investments in funds, NSFR, leverage ratio, Pillar 3 and large exposures**
- AU report on **mortgage broker remuneration, financial adviser misconduct and conflicts management**.

### 2018

- BCBS Basel III **Leverage ratio, securitisation framework, Pillar 1** and **NSFR**, including disclosure requirements (Jan)
- FSB numerical **haircut floors** apply to non-bank securities financing (Jan)
- **IFRS9** effective (Jan)
- AU prudential standard and guidance on **liquidity** and **NSFR reporting** (Jan)
- AU new rules on remuneration for **life insurance advice** (Jan)
- AU risk mitigation requirements for **OTC derivatives** commence (1 Mar)
- FSB jurisdictions to have no legal/regulatory barriers to **reporting of OTC derivatives** (mid 2018)
- IAIS consultation on ComFrame including **ICS version 2.0** (mid 2018)
- IAIS **2018 ICS confidential reporting** data due (Sept/Oct)
- SG **non-bank financial institutions OTC derivatives reporting** (FX, commodity, equity) (1 Nov)
- **G-SII cohort 2017** to have systemic risk/liquidity plan (Dec).

### 2019 onwards

- BCBS capital requirements on **CET1, capital conversion buffer, G-SIB buffer, market risk countercyclical capital buffer, min T1 ratio and min total capital ratio** (1 Jan 2019)
- BCBS **liquidity requirements** on LCR and **large exposures** (1 Jan 2019)
- BCBS **G-SIB min TLAC** of 16% RWA and 6% LRE (1 Jan 2019)
- AU **new standards for financial advisers** commence (1 Jan 2019)
- SG **limits on granting unsecured credit** if 12 times monthly income (1 Jun 2019)
- BCBS G-SII's **BCR and HLA** requirements (2019)
- IAIS **ICS version 2.0** (end 2019)
- BCBS end phase in for **margin requirements for OTC derivatives (IM)**(1 Sep 2020)
- **G-SIBs min TLAC** of 18% RWA and 6.75% LRE (1 Jan 2022),
- **Emerging market G-SIBs min TLAC** of 16% RWA and 6% LRE (2025) and 18% RWA and 6.75% LRE (2028).

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