

RCAP jurisdictional assessments: self-reporting monitoring template for RCAP follow-up actions

Jurisdiction: Canada

Status as of: 31 December 2016

With reference to RCAP report(s): Assessment of Basel III regulations – Canada (June 2014)

Part A¹

Post-RCAP follow up: Changes applied to local regulations of the Basel Framework relating to risk-based capital standards (RCAP-Capital)

Table A

(1) Issue and/or relevant Basel paragraph number(s)	(2) Detailed description of finding (please indicate as precisely as possible the finding as identified in the relevant RCAP assessment report)	(3) Detailed reference to the domestic legislation/regulation that addresses the finding	(4) Summary description of amendment or rectification made
Basel III paragraphs 136-150	Implementation of provisions related to the countercyclical buffer	Capital Adequacy Requirements Guideline – Chapter 1 – section 6.2 under mandatory buffers	OSFI has implemented the countercyclical buffer requirements as outlined in the BCBS documentation. OSFI has an inter-agency process to determine the conditions on which the buffer would be activated. At this time the buffer has been set at zero.
Planned issuance of Pillar 3 as a Guideline	To change the disclosure requirements from advisories to guidelines. While still compliant and advisories are eligible under RCAP criteria – it was	Pillar 3 Disclosure Requirements – published in the Accounting & Disclosure	This draft guidance encompasses all of the OSFI disclosure requirements as well as the BCBS Phase 1 requirements from January 2015.

¹ To be completed only for those findings where action has been taken or initiated. Any plans for addressing other findings may be indicated in Part B.

Post-RCAP follow up: Changes applied to local regulations of the Basel Framework relating to risk-based capital standards (RCAP-Capital)

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	the intention of OSFI to change the disclosure requirements into guidelines.	section – issued as draft guideline in January 2016	
IRB – Purchased Receivables – Basel II paragraph 242	Minor deviation relating to the CAR guideline not specifying calculation method for concentration limit of 3.5%.	CAR guideline Chapter 6 – paragraph 46-48 – sets the limit of 3.5% but does specify how calculated.	None of the banks use the purchased receivables approach as such the guideline has not been adjusted. It will be re-examined as the new Securitization rules are implemented. The 3.5% remains a limit on the size of any individual exposure.

Part B

OSFI has rectified the majority of the findings raised during the RCAP assessment. The few remaining identified deviations are being reviewed as part of longer term revisions to the CAR guideline resulting from the ongoing work to Basel III.