

# Federal Financial Institutions Legislative and Regulatory Reporter - July 2016

August 25, 2016

The Reporter provides a monthly summary of Canadian federal legislative and regulatory developments of relevance to federally regulated financial institutions. It does not address Canadian provincial financial services legislative and regulatory developments, although this information is tracked by BLG and can be provided on request. In addition, purely technical and administrative changes (such as changes to reporting forms) are not covered.

## July 2016

Institution	Published	Title and Brief Summary	Status
IAIS  [Applicable to insurance companies]	Published July 19, 2016	IAIS Releases 2016 Insurance Capital Standard: Public Consultation Document  The purpose of this 2016 ICS Public Consultation Document is to solicit stakeholder feedback on three key components of ICS Version 1.0 for confidential reporting purposes: valuation methodologies, qualifying capital resources and the implementation of risk based approaches to determine regulatory capital requirements. The focus of ICS Version 1.0 is on a standard method, with consideration of other methods of calculation of	Comments due by October 19, 2016

		the ICS capital requirement to be addressed in Version 2.0.	
<p>BIS/Basel</p> <p>[Applicable to banks]</p>	<p><a href="#">Published July 11, 2016</a></p>	<p><a href="#">Revised securitisation framework with capital treatment for "simple, transparent and comparable" securitisations</a></p> <p>The Basel Committee on Banking Supervision published an updated standard for the regulatory capital treatment of securitisation exposures. By including the regulatory capital treatment for "simple, transparent and comparable" (STC) securitisations, this standard amends the Committee's 2014 capital standards for securitisations.</p>	<p>Effective</p>
<p>OSFI</p> <p>[Applicable to Banks, Trust and Loans companies, Cooperative Credit and Retail Associations, Life Insurance Companies, Fraternal Benefit Societies and Property &amp; Casualty Insurance Companies]</p>	<p><a href="#">Issued July 7, 2016</a></p>	<p><a href="#">OSFI Tightens Supervisory Expectations for Mortgage Underwriting</a></p> <p>The OSFI released a letter to advise federally regulated financial institutions (FRFIs) that it is tightening its supervisory expectations for mortgage underwriting in light of the evolving housing market. The letter identifies a number of areas that warrant close attention by mortgage lenders and insurers. OSFI's supervisory scrutiny for residential mortgage underwriting will place an even greater emphasis on confirming that the internal controls and risk management</p>	<p>Effective</p>

		practices of mortgage lenders and insurers are sound and take into account market developments. The letter also provides an update to industry on initiatives announced by OSFI in a December 2015 letter aimed at strengthening the measurement of capital held by the major banks and mortgage insurers.	
--	--	--	--

By

[Jeffrey S. Graham](#)

Expertise

[Banking & Financial Services](#), [Financial Services](#), [Banking](#), [Energy - Oil & Gas](#), [Energy - Oil & Gas Regulatory](#)

## BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 725 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

[blg.com](http://blg.com)

## BLG Offices

### Calgary

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3

T 403.232.9500  
F 403.266.1395

### Ottawa

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9

T 613.237.5160  
F 613.230.8842

### Vancouver

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2

T 604.687.5744  
F 604.687.1415

### Montréal

1000 De La Gauchetière Street West  
Suite 900  
Montréal, QC, Canada  
H3B 5H4

T 514.954.2555  
F 514.879.9015

### Toronto

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3

T 416.367.6000  
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific

situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing [unsubscribe@blg.com](mailto:unsubscribe@blg.com) or manage your subscription preferences at [blg.com/MyPreferences](http://blg.com/MyPreferences). If you feel you have received this message in error please contact [communications@blg.com](mailto:communications@blg.com). BLG's privacy policy for publications may be found at [blg.com/en/privacy](http://blg.com/en/privacy).

© 2025 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.