

Regulatory Stocktake: Issues under consideration Status as of 18 March 2015

The outline below indicates the major work streams and specific issues currently under analysis within the scope of the Regulatory Stocktake. This list is evolving and subject to change as the project develops¹.

1- Data and disclosure for banks

- A. Consider removing requirement for bank parent company (solo) financial statements
- B. Review the role of off-quarter Disclosure Statements
- C. Improve use of technology in the disclosure statement regime
- D. Review bank disclosure requirements more generally
- E. Fix other minor issues previously identified (eg IFRS 9, minor Basel III related clarifications and other potential simplifications)

2- Format & structure of the Banking Supervision Handbook

- A. Restructure Handbook, particularly BS1, making the distinction between “binding requirements”, “guidance” and “guidelines” clearer.
- B. Improve Handbook navigation
- C. Improve consistency of presentation across the Handbook
- D. Create glossary for Handbook, improving consistency with external definitions
- E. Review Anti-Money Laundering (AML) matters covered in the Handbook
- F. Reduce need to make such frequent updates to the handbook and conditions of registration for minor/technical matters

3- Capital requirements for banks

- A. Reorganize structure of capital documents
- B. Improve layout of credit risk section of BS2B of the Banking Supervision Handbook
- C. Consider removal of any unutilized provisions in BS2A/BS2B

¹ While we are currently aiming to address all of these issues in the course of the Stocktake, we may ultimately split out some of these issues for further separate consideration. These issues will be clearly highlighted in subsequent phases of the project.

- D. Fix other minor issues previously identified (eg. inconsistent wording and definitions, outdated references)
- E. Review 1% limit on insurance business
- F. Review approach to internal models
- G. Review purpose of Internal Capital Adequacy Assessment Processes (ICAAPs) (overlap with parallel initiative)

4- RBNZ policy-making approach across regimes

- A. Improve "Forward Planning": Provide clearer information to industry and coordinate better within RBNZ and with other regulators regarding timelines for consultations
- B. Establish target time frames to allow sufficient time for (early stage) consultation and implementation
- C. Make greater use of post-implementation reviews
- D. Streamline process for making changes to regulations

5- Differentiated regulatory approach

- A. Improve consistency across prudential regimes
- B. Clarify key points of differentiation (i.e. size cut-offs for various policies) within the bank's regulatory approach.

6- Miscellaneous changes to bank policies and regulations

- A. Improve tools for handling minor/ technical breaches of conditions of registration
- B. Ensure the clarity of netting rules under connected exposure policies
- C. Improve the clarity of the local incorporation and dual registration policies
- D. Review director/ manager non-objection policies