The COVID-19 pandemic has created unprecedented challenges for compliance professionals around the world, including those in Canada. The following is a selection of federal and provincial legislative and regulatory actions as well as news and analysis articles compiled by the Thomson Reuters Regulatory Intelligence editorial staff. The selection includes Regulatory Intelligence and Reuters news coverage. More COVID-19 news and information can be found via the TRRI platform’s search facility.

Additional COVID-19 resources are also available on the Thomson Reuters COVID-19 Resource Center. For a regularly updated list of U.S. federal regulations related to the COVID-19/novel coronavirus update, please visit the Skopos Labs Coronavirus Policy Tracker.

You can create your own custom My Updates through the Create a Custom My Updates link on the Regulatory Intelligence homepage. Select your geography and/or content types you would like resources from and include the following keyword search: covid! or corona-virus.

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1 This COVID-19 Coverage was compiled by Thomson Reuters Regulatory Intelligence editorial staff and other contributors.
**COVID-19 COVERAGE - CANADA**

**FEDERAL AND PROVINCIAL REGULATORS – COVID-19 UPDATES**

**Federal Regulators**

**Bank of Canada**


The Bank of Canada has issued a staff working paper discussing the positive and normative implications of labor market policies that counteract the economic fallout from containment measures during an epidemic. The document incorporates a standard epidemiological model into an equilibrium search model of the labor market to compare unemployment insurance (UI) expansions and payroll subsidies.

In isolation, payroll subsidies that preserve match capital and enable a swift economic recovery are preferred over a cost equivalent UI expansion. When considered jointly, however, a cost-equivalent optimal mix allocates 20 percent of the budget to payroll subsidies and 80 percent to UI. The two policies are complementary, catering to different rungs of the productivity ladder. The relatively small proportion allocated to payroll subsidies is sufficient to preserve high-productivity jobs but this also leaves room for social assistance to workers who face inevitable job losses. For more information see the [link here](#).

**Office of the Superintendent of Financial Institutions (OSFI)**

*Remarks by Assistant Superintendent Talwar at the virtual IACPM fall conference* (December 10, 2020)

OSFI has published remarks made by Assistant Superintendent, Sanjiv Talwar, on a panel with senior regulators from other jurisdictions at the International Association of Credit Portfolio Managers' (IACPM) first virtual fall conference on November 20. During the panel they discussed the global regulatory outlook for financial regulation considering lessons learned during the COVID-19 pandemic. For the full text of the remarks by Asst. Superintendent Talwar see the [link here](#).

*COVID-19 Measures – FAQs for Federally Regulated Insurers* (updated December 14, 2020)

OSFI has prepared an FAQ for federally regulated insurers about measures it has taken to address issues stemming from COVID-19. New or updated topics include:

- Restrictions on Dividends and Share Buybacks

For the full FAQ document see the [link here](#).

OSFI has prepared an FAQ for federally regulated deposit-taking institutions about measures it has taken to address issues stemming from COVID-19. New or updated topics include:

- Capital
- Dividends

For the full FAQ document see the link here.

Extraordinary exceptions for non-recurring special dividends (December 14, 2020)

OSFI has reiterated its expectation that institutions not increase regular dividends, undertake common share buybacks or raise executive compensation to ensure institutions have adequate capital to cushion the impacts of shifts in the economy under the current conditions. OSFI remains committed to its position that regulatory or supervisory adjustments made in response to the pandemic be credible, consistent, necessary and fit-for-purpose. There remains too much uncertainty to change OSFI's existing restrictions on certain capital distributions. For more information see the link here.

SROs, Exchanges and Securities Regulators

Investment Industry Regulatory Organization of Canada (IIROC)

Request for Comment - Proposed Amendment to the Risk Component of the Dealer Member Fee Model (December 17, 2020)

IIROC is publishing for public comment proposed amendment to the Risk Component of the Dealer Member Fee Model. As an interim step and as part of the pandemic response program, IIROC set the risk component to zero for FY2021. IIROC is now proposing to make that change permanent by removing the risk component from its Dealer Member Fee Model (the Proposed Amendment). The 45 day-comment period ends on February 1, 2021. For more information see the link here.

Other News and Summaries

Black, Minority Women in Canada Left Behind in COVID-19 Job Recovery (Reuters) - Nine months into the COVID-19 pandemic, women of color in Canada still face far higher unemployment than white women, official data shows, in part because they tend to work jobs in hard-hit sectors and often care for children or relatives.2

The unemployment rate for minority women was 10.5% in November, compared with 6.2% for white women, according to Statistics Canada data provided to Reuters. Women of color also had a slightly higher unemployment rate than their male counterparts, who had a jobless rate of 10.0%.

Canada has recouped more than 80% of the jobs lost at the height of the COVID-19 crisis, but many minority women have not returned to work.

“What we’re seeing ... is the unequal impact of this pandemic on diverse groups of Canadians,” said Lynn Barr-Telford, an assistant chief statistician at Statscan, in an interview before the latest data was released.

“These inequities pre-date COVID... but they’ve been further exasperated by COVID,” Barr-Telford said.

Statscan added a question on race to its monthly job survey in July. The first survey found South Asian women had among the highest unemployment rates in Canada at 20.4% and Black women at 18.6%.

Four months later, the unemployment rate for Black women remains one of the highest at 13.4%.

Chinese Canadian women, meanwhile, are the furthest from their pre-pandemic employment levels with a jobless rate of 10.2% in November.

Indigenous Canadians also face disproportionate negative impacts on employment from the pandemic, with the unemployment rate for Indigenous women averaging 16.8% from June to August, Statscan said in a separate report released in November.

“We have diversity within diversity, of course. So not all groups are experiencing the labor market shutdown the same,” said Barr-Telford.

SYSTEMATIC DISADVANTAGES

White women have fared better as “they tend to be in better paid jobs that are less precarious and they have more resources at their disposal,” said Wendy Cukier, founder of the Diversity Institute at the Ted Rogers School of Management.

Women of color, meanwhile, face systematic disadvantages from fewer opportunities for career advancement to less access to basic services like high-speed internet and flexible daycare.

Childcare is one of the issues that Prime Minister Justin Trudeau’s government has promised to tackle as part of a major stimulus package pledged to come in next spring’s budget.

But with women in racial minorities bearing the brunt of the pandemic slump, more needs to be done to ensure that stimulus is tailored to their needs, with a focus on career and entrepreneurial supports, say advocates.

“We have an opportunity to really rethink what we value,” said Cukier.
Few Major Economies Investing in Nature-friendly COVID-19 Recovery, Index Finds

(Thomson Reuters Foundation) - Governments have made little progress on greening COVID-19 stimulus packages, with spending in only seven of 25 major economies estimated to have a net positive impact for the climate and nature, researchers said on Thursday.³

An index, updated every few weeks by think-tanks Vivid Economics and Finance for Biodiversity, found far more recovery money has been earmarked for industries and activities that harm nature, compared with measures like planting trees or restoring wetlands.

Overall, governments are funneling an estimated $13 trillion into the world’s economies, to foster jobs and growth.

Nearly a third of that is going to sectors that affect carbon emissions and biodiversity - energy, industry, waste management, transport and farming - but the researchers identified only $567 billion as green spending.

“Our analysis of COVID-19 stimulus commitments to date suggests that investments are further entrenching unsustainable economic pathways, resulting in a high risk of stranded assets, accelerated climate change and continued depletion of natural capital,” said co-author Jeffrey Beyer of Vivid Economics.

Nature and biodiversity have been particularly neglected, the report noted.

In the stimulus packages analyzed, including the European Union’s, funding for action to improve biodiversity and preserve ecosystems amounted to only about $108 billion so far, compared with $219 billion linked to pollution or habitat destruction.

Some governments have announced new climate- and nature-friendly stimulus packages and policies, the analysis said, citing Canada, which moved from a net environmentally negative stimulus to net positive for the first time in December’s index.

The country’s Fall Economic Statement committed $2.9 billion over the next 10 years to plant 2 billion trees and to enhance the carbon storage potential of wetlands, peatlands, grasslands and agricultural areas, it noted.

Other examples of green stimulus measures include the European Union’s COVID-19 package, South Korea’s “New Deal” and Britain’s Ten Point Plan for a Green Industrial Revolution, all of which mainly support clean energy production and use.

Policy packages in Germany, Switzerland, Spain and France were also judged to be net-positive for the environment.

Emerging economies most dependent on environmentally intensive sectors, such as mining and agriculture, and lacking strong regulatory oversight have the biggest task to turn their stimulus green - and have so far failed, the index found.

They include China, India, Mexico, South Africa, Brazil and Indonesia, it added.


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Tools governments can use to green their stimulus efforts include corporate bailouts with conditions such as requiring airlines to shrink their carbon footprint, as well as investing in forest conservation and subsidizing green products, the think-tanks said.

They added that if governments allocated close to 5% of total stimulus to date into “nature-based solutions” like peatland restoration and sustainable farming they could create 7 million more jobs globally than sticking to business as usual.

Beyer said stimulus that nurtures nature would also deliver more economic growth, store more carbon and boost resilience to extreme weather through things like improved flood control.