IAA AAI AFIR-ERM Finance, Investment & ERM

REFERENCE LIST
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Article of the month:
7 Key Challenges for Operational Risk Professionals

Rupal Patel (rmmagazine.com)

Operational risk management teams in financial institutions had a tumultuous year in 2020, and it seems likely that 2021 will bring even greater challenges as regulators around the world press ahead with delayed plans, new risks emerge, and existing ones rise up the agenda. For risk professionals and their organizations, navigating these risks effectively will directly impact whether firms are able to deliver on crucial business goals. In the process of meeting these challenges, operational risk management will in turn likely be transformed. Read more.

Risk Management
ERM for Small to Mid-Sized Companies

Todd Williams (rmmagazine.com)

The two primary benefits of enterprise risk management (ERM) are reducing financial and operational surprises and improving performance to increase probability of achieving strategic objectives. Any size organization would profit from these benefits, but many small to medium-sized companies typically do not have defined ERM initiatives. Reasons include cost constraints, fewer dedicated risk professionals, limited resources, fewer employees often serving multiple roles relative to larger companies. But small to medium sized companies can benefit significantly from ERM, without it being costly, complicated or time-consuming. Read more.

Insurance
Three Key Insurance Law Decisions from 2020

Joshua Gold (rmmagainze.com)

Given all the challenges of 2020, it would be easy to overlook some of the interesting insurance law developments during the last 12 months. The three legal decisions highlighted below from this past year involve dispute points in insurance law that have recurring importance to policyholders' risk management, in-house legal and treasury departments. Read More.

Regulation
In light of Covid recession, Fed eases stress test scenario

Louie Woodall (Risk.net)

The worst-case stress scenario the Federal Reserve will subject banks to this year assumes a shallower drop in economic output than last February's simulation, reflecting the agency's policy of reducing the severity of its annual examinations when the economy is in recession. Real US GDP under the 2021 severely adverse scenario is assumed to drop 4% from Q4 2020 to its trough in Q3 2022. Under the February 2020 scenario, the fall was a much sharper 8.5%. Read more.

S&P Global Response to IFRS Foundation Consultation Paper on Sustainability Reporting

S&P GLOBAL MARKET INTELLIGENCE (spglobal.com)

S&P Global welcomes the opportunity to respond to the IFRS Foundation Consultation Paper on Sustainability Reporting. We hope that our comments are helpful to the ongoing work of the IFRS Foundation and would be happy to discuss any questions or comments further. Read More.

ESG

ESG roundup: New carbon pricing call to action launched

IPE Staff (IPE)

Nordic pension investors have backed a new initiative seeking government action on effective carbon pricing ahead of the postponed COP26. “Call on Carbon” is a joint initiative of Nordic groups Climate Leadership Coalition, Haga Initiative, and Skift Business Climate Leaders, with the support of Corporate Leaders Group Europe, BCSD Portugal and CER – Sustainable Business Network Slovenia. Signatories include major Nordic pension investors Folksam Group, Ilmarinen, KLP, and Varma. Some of these are members of Climate Leadership Coalition. The carbon pricing initiative is looking for signatories to back a call on countries to “back their net-zero targets with Paris Agreement-consistent effective, robust, reliable and fit-for-purpose carbon pricing instruments which will facilitate a cost-efficient investment path to reach net zero”. Read more.

A road map for ESG disclosures and assurance

Ken Tysiac (journalofaccountancy.com)

As the demand for environmental, social, and governance (ESG) information increases, related opportunities for CPAs involved in financial reporting and auditing continue to grow. Investors are showing more interest in ESG information, and some are calling on public companies to incorporate into SEC submissions ESG disclosures on topics such as climate change and diversity and inclusion metrics. Read more.

Trendy: Savings, banking, fintech, technology and other topics

Saving with Gusto

Abraham Hernandez, Fernando Galindo, Jorge Lopez, Fernanda Salas (Journal of Applied Business and Economics)

On current trends most people will not have access to a formal pension. We do not naturally save for retirement. We lack the “chipmunk chip”. Today, most elders depend on their family for support, but families are decreasing and disintegrating. Here we explore the alternative of saving for retirement through spending. Not everybody works (formally or not), but almost everybody spends. Thanks to technology is now possible to establish a robust savings platform that enables people to save very small amounts each time they spend. Behavioural economics developments have found ways that encourage people to do so. Read More.

Risk Markets Technology Awards 2021: a different kind of virus

Clive Davidson (Risk.net)

A year into the Covid-19 pandemic, it is clear that the technology sector has been one of the big beneficiaries of changing consumer and corporate behaviour. That doesn’t mean it’s been easy for tech providers to embrace the opportunity. As an example, take the surge in cloud usage driven by a newly minted army of home-workers: Microsoft saw usage of its Teams videoconferencing and collaboration application skyrocket, as well as its virtual desktop and Xbox Live gaming, creating unprecedented demand for its Azure cloud platform on which these applications operate. In addition, Microsoft had to hive off capacity for organisations providing emergency, medical, research and other pandemic responses. Read More.

Market Updates on the LIBOR Transition

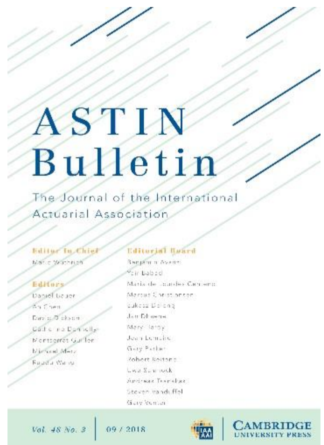
S&P GLOBAL MARKET INTELLIGENCE (spglobal.com)

This year will be key in the London Inter-Bank Offered Rate (LIBOR) transition. After consultation on ending the publication of LIBOR in USD, GBP, EUR, CHF, and JPY, the administrator of LIBOR, the ICE Benchmark Administration (IBA), may announce its decision soon. The announcement of LIBOR cessation would trigger the spread adjustment to be fixed as a component of the LIBOR fallback rate for derivatives contracts with fallback provisions governed by ISDA.1 For legacy non-consumer cash products referencing USD LIBOR, this fixed spread adjustment would be added to a form of SOFR to replace USD LIBOR as recommended by the ARRC.2. Read More.

Resources (click upon image to access)

The Actuary Magazine:

ASTIN Bulletin:



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