

# Progress in the Implementation of G20/FSB Recommendations – June 2012

**Jurisdiction:** MEXICO

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# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
<b>1. Refining the regulatory perimeter</b>						
1 (new)	Cannes	Strengthening the oversight of shadow banking	We agree to strengthen the regulation and oversight of the shadow banking system. <sup>1</sup>	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Financial authorities are working on the development of the data required to assess the flow of funds (step 1 of the monitoring exercise) to monitor shadow banking activities.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The FSSC was created in 2010 with the mandate to identify risks that may disrupt the functioning of the financial system and assess the need to implement prudential policies to mitigate their potential impact. As part of its functions, the FSSC has developed quantitative and qualitative indicators to identify potential systemic risks, including those that may arise outside</p>	<p>Planned actions (if any): Based on the recommendations delivered by the 5 workstreams, the MFA will assess the areas of the current regulatory framework that would need to be strengthened.</p> <p>Expected commencement date: December 2012</p> <p>Web-links to relevant documents:</p>

<sup>1</sup> For this survey, the focus is exclusively on the recommendations for monitoring the shadow banking system, discussed in section 2 of the October 2011 FSB report: “Shadow Banking: Strengthening Oversight and Regulation”, which is available here: [http://www.financialstabilityboard.org/publications/r\\_111027a.pdf](http://www.financialstabilityboard.org/publications/r_111027a.pdf).

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					<p>the regular banking sector. In addition MFA monitor the activities of non-bank banks</p> <p>Web-links to relevant documents:</p>	
2 (11)	(Lon)	Review of the boundaries of the regulatory framework	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The CNBV has worked on a regulatory framework for non regulated financial entities and trusts, which previously were only subject to their respective articles of incorporation (although some of them voluntarily subscribed the banking regulation). A preliminary version of this project was sent to the federal commission for regulatory enhancements. The CNBV expanded its supervisory outreach to oversee foreign exchange offices and money transmitters. The supervisory agencies participate at the most relevant standard setting bodies (BCBS, IOSCO, IAIS, etc) to update their assessment of best practices and approaches at an international level.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<input type="checkbox"/> Completed as of  Overview (short description) of action(s) taken: The FSSC undertakes regular assessments of risk which may represent a threat to financial stability. The FSSC evaluates on a continuous basis whether the current boundaries of the regulatory framework are consistent to reduce the risk exposure of the financial system. The analysis includes innovation and other trends in the development of financial markets.  Web-links to relevant documents:	
<b>(i) Hedge funds</b>						
3 (13)	(Seoul)          (Lon)	Regulation (including registration) of hedge funds	We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds, ...  Hedge funds or their	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by  <input checked="" type="checkbox"/> Others, please specify: The regulatory framework does not specify the requirements (neither the registry) for the management or operation of a hedge fund. Whether these type of entities are	Planned actions (if any): Going forward, the MFA are working on a legal framework to regulate hedge funds' participation in Mexico, including their registration and supervision, accordingly with international recommendations.  Expected commencement date: Ongoing  Web-links to relevant documents:

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			<p>managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management.</p>		<p>structured as trusts or other type of special purpose vehicle, they are allowed to provide services only to sophisticated customers, as defined by the law. The CNBV would not accept the registry of a publicly offered mutual fund, on the assumption that the entity would act as a hedge fund. Moreover, within the registry process for a mutual fund (accordingly with the regulation), the CNBV would require the registry of the fund manager. Other authorized securities firms may be allowed to undertake certain activities of hedge fund management. Other collective investment schemes that are not publicly offered, are exempted of regulatory requirements, such as financial information disclosure or reporting to the CNBV. However, risks posed by hedge funds operating separately in Mexico are mitigated by the CNBV through its access to accounts at regulated financial firms, and their client portfolios. The CNBV has also placed a process to monitor the exposure concentration on financial firms, including on foreign exchange transactions and on OTC derivatives.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p>	

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				Web-links to relevant documents:		
4 (14)	(Lon)	Effective oversight of cross-border funds	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009.	End-2009	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:  The regulatory framework forbids the promotion of cross-border funds services in Mexico.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):  MFA are monitoring the development of international regulatory standards and will assess the need to enhance the regulatory perimeter if needed.</p> <p>Expected commencement date:  Ongoing</p> <p>Web-links to relevant documents:</p>
5 (15)	(Lon)	Effective management of counter-party risk associated with hedge funds	Supervisors should require that institutions which have hedge funds as their counterparties have effective risk	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):  MFA will assess the need to enhance the regulatory perimeter where needed.</p> <p>Expected commencement date:</p>

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			management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures.		<input type="checkbox"/> Others, please specify:  <input type="checkbox"/> Completed as of  Overview (short description) of action(s) taken: Banking capital regulation is supported by a comprehensive risk management framework and a risk based assessment which establishes capital requirements in accordance to the counterparty default risk. In addition, banking regulation sets exposure limits on single counterparties or interconnected counterparties based on the bank's capital ratios.  Web-links to relevant documents:	Ongoing  Web-links to relevant documents:
6 (16)	(FSF 2008)	Guidance on the management of exposures to leveraged counterparties	II.17 Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by  <input type="checkbox"/> Others, please specify:	Planned actions (if any): The CNBV is working on the regulatory framework to strengthen capital adequacy and credit risks based on Basel II' Pillar 1.  Expected commencement date:

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					<input type="checkbox"/> Completed as of  Overview (short description) of action(s) taken: Banking regulation sets limits on counterparty exposure. Additionally, supervisors conduct regular monitoring of risks associated to banks' counterparties and continuously assess the risks associated to leveraged counterparties.  Web-links to relevant documents:	Web-links to relevant documents:
<b>(ii) Securitisation</b>						
7 (17)	(FSB 2009)	Implementation of BCBS/IOSCO measures for securitisation	During 2010, supervisors and regulators will: <ul style="list-style-type: none"> <li>implement the measures decided by the Basel Committee to strengthen the capital requirement of securitisation and establish clear rules for banks' management</li> </ul>	During 2010	No response required for this survey.  Please refer to the BCBS progress report on the Basel 2.5 adoption, available at: <a href="http://www.bis.org/publ/bcbs/b2_5prog_rep_table.htm">http://www.bis.org/publ/bcbs/b2_5prog_rep_table.htm</a>	



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			and disclosure;			
			<ul style="list-style-type: none"> <li>implement IOSCO's proposals to strengthen practices in securitisation markets.</li> </ul>		<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):  Within the implementation process of Basel III during 2012, the capital requirements for securitization and re-securitizations will be further strengthened.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
8 (18)	(Lon)	Improvement in the risk	The BCBS and authorities should	By 2010	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being	<p>Planned actions (if any):  The CNBV will amend the</p>

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	(Pitts)	management of securitisation, including retainment of a part of the risk of the underlying assets by securitisation sponsors or originators	<p>take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010.</p> <p>Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently.</p>		<p>developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The CNBV established rules for transparency on the issuance of debt securities.</p> <p><input type="checkbox"/> Completed as of June 2009</p> <p>Overview (short description) of action(s) taken: The CNBV has also taken further steps towards the strengthening of prudential standards for:</p> <ul style="list-style-type: none"> <li>• The development of a regulatory framework for sales practices and asset management which includes, among others, due diligence processes for complex instruments;</li> <li>• Strengthening preventive measures for risk management.</li> <li>• On-site authorization processes on risk management.</li> </ul> <p>Web-links to relevant documents:</p>	<p>operational regulation for banking institutions to strengthen securitizations disclosure of the underlying assets and promote an enhanced risk assessment. Also, during 2012 the CNBV is planning to include rules for due diligence processes and quantitative retention requirements for securitizations. Special emphasis is given to re-securitizations. Such improvements to the operational regulation will not require approval under the legislative process and will take place within the existing regulatory and supervisory powers.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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9 (19)	(FSF 2008)	Strengthening of regulatory and capital framework for monolines	II.8 Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by  <input type="checkbox"/> Others, please specify:  <input type="checkbox"/> Completed as of  <p>Overview (short description) of action(s) taken:  Monolines in Mexico are not allowed to engage on structured credit activities. As a result, during the crisis these entities did not face solvency problems and neither showed symptoms for potential concerns.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):  No further changes are expected to the capital requirement for monolines due to their stable position and their restrictions to issue structured credit instruments.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
10 (20)	(FSF 2008)	Strengthening of supervisory requirements or best practices for investment in structured products	II.18 Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input checked="" type="checkbox"/> Draft regulations/guidelines published as of Dec 2010 <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):  The CNBV plans to include in the regulation specific requirements on due diligence procedures applicable to fund managers when purchasing complex instruments. Also, the CNBV plans to issue a new regulation regarding business</p>

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			structured products.		<input checked="" type="checkbox"/> Others, please specify: Amendment to the Securities Market Law.  <input type="checkbox"/> Completed as of  Overview (short description) of action(s) taken: The Securities Market Law outlines a compliance regime for securitizations, including minimum required levels of transparency of the underlying assets. MFA are constantly reviewing and monitoring that such requirements keep pace with international best practices.  Web-links to relevant documents:	conduct rules in relation to the offering of investment services.  Expected commencement date:  Web-links to relevant documents:
11 (21)	(FSF 2008)	Enhanced disclosure of securitised products	III.10-III.13 Securities market regulators should work with market participants to expand information on securitised products and their underlying assets.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by  <input checked="" type="checkbox"/> Others, please specify: The CNBV is working on an amendment to the regulation concerning the information provided in the periodic reports. The proposed amendment will require a disclosure of the performance of each	Planned actions (if any): With respect to credit securitizations, the CNBV will request an expected loss assessment per credit, that will be disclosed periodically.  Expected commencement date: Ongoing  Web-links to relevant documents:

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					<p>financial asset included as guarantee to back-up an issuance of mortgage securitizations (performing, non performing and/or prepayments)</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:  On September 2008, the regulatory framework was amended to include disclosure guidance on securitizations prospectus. Additionally, it was established that annual, quarterly and monthly reports should contain enough information of the securitization underlying assets.</p> <p>Web-links to relevant documents:</p>	
<b>2. Enhancing supervision</b>						
12 (5)	(Pitts)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by  <input checked="" type="checkbox"/> Others, please specify: The banking law in Mexico was amended in 2006 to include a banking resolution regime	Planned actions (if any): MFA are working on the amendments to the legal framework for a banking resolution process (currently, the resolution process for a banking institution is the same as for a commercial entity) building on the FSB Key Attributes .

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					<p>for institutions which fail to meet the minimum capital requirements, even though their capital is positive. As part of this process, the banking law establishes a Committee of Financial Stability (other than the FSSC) to assess the potential systemic risks arising from the failure of a banking institution and to determine the most effective resolution method.</p> <p><input checked="" type="checkbox"/> Completed as of July 2010</p> <p>Overview (short description) of action(s) taken: The Committee of Financial Stability will proceed to determine the most effective resolution method based on a cost analysis and to prevent any further disruption in the functioning of the financial system. Moreover, the CNBV is participating in the supervisory colleges of the most important G-SIBs in Mexico and has reinforced supervisory oversight practices on banking institutions.</p> <p>Web-links to relevant documents:</p>	<p>Expected commencement date: Ongoing</p> <p>Web-links to relevant documents:</p>
13 (8)	(Lon)	Establishment of Supervisory colleges	To establish the remaining supervisory colleges for significant cross-	June 2009 (for establishing supervisory	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published</p>	<p>Planned actions (if any): The CNBV will seek to participate in other colleges of global institutions with significant</p>

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			border firms by June 2009.	colleges)	<p>as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The CNBV participates in the supervisory colleges of some of the cross-border financial firms that have a significant presence in Mexico. Similarly, the insurance supervisor has taken part in the colleges established for the same purposes.</p> <p>Web-links to relevant documents:</p>	<p>presence in the Mexican financial system.</p> <p>Expected commencement date: Ongoing</p> <p>Web-links to relevant documents:</p>
14 (8)	(Seoul)	Conducting risk assessments through international supervisory colleges	We agreed to conduct rigorous risk assessment on these firms through international supervisory colleges ...	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p>	<p>Planned actions (if any): MFA will continue pursuing their entrance to the supervisory colleges and crisis management groups of the remaining G-SIBs with relevant presence in Mexico, and to ensure an open access to recovery and resolution plans (“living wills”) to all stakeholders of a G-SIFI. In addition, work is underway to conduct cross-border</p>

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					<input type="checkbox"/> Completed as of  Overview (short description) of action(s) taken: The CNBV is participating at the supervisory colleges of global banks, where it has been invited to participate. In other cases, the home authority of major banks in Mexico, have not extended an invitation to the CNBV to participate at the supervisory college. Similarly, the insurance supervisor has taken part in the colleges established for the same purposes.  Web-links to relevant documents:	crisis simulation exercises to assess on a reciprocal basis, the legal and regulatory framework constraints.  Expected commencement date:  Web-links to relevant documents:
15 (9)	(FSF 2008)	Supervisory exchange of information and coordination	V.7 To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by  <input checked="" type="checkbox"/> Others, please specify: The CNBV is enabled by the Law to exchange information with foreign counterparts based on bilateral MOUs. These MOUs cover banking and securities market activities, allowing the exchange of	Planned actions (if any): The CNBV will strengthen the cooperation arrangements in line with the development of international best practices.  Expected commencement date:  Web-links to relevant documents:



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			should be improved at both national and international levels.		<p>public and non-public information, surveillance visits, and the provision of technical assistance.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The participation of MFA in supervisory colleges and crisis management groups has contributed to strengthen cross-border cooperation mechanisms. At a domestic level, MFA have signed MoUs for information exchange, and through the FSSC the coordination among MFA has been enhanced.</p> <p>Web-links to relevant documents:</p>	
16 (10)	(Seoul)	More effective oversight and supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks,	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			including regular stress testing and early intervention.		<p>Overview (short description) of action(s) taken:  The Mexican Congress approved the amendment to the Banking Law in February 2008, whereby most of the regulatory powers of the SHCP were relocated at the CNBV. Such reform resulted in the establishment of an authority granted with full oversight of banking institutions throughout their life cycle, and responsible for authorizing their corporate acts and issuing their operational rules.</p> <p>Web-links to relevant documents:</p>	
17 (12)	(FSF 2008)	Supervisory resources and expertise to oversee the risks of financial innovation	V.1 Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by  <input type="checkbox"/> Others, please specify:  <input type="checkbox"/> Completed as of  <p>Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any):  Supervisors are required to undergo periodic training to cope with financial innovation.</p> <p>Expected commencement date:</p>  <p>Web-links to relevant documents:</p>

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					<p>MFA ensure proper specialization of their personnel to assess innovations in financial markets through permanent training. Also, through regular on-site visits, supervisors identify, evaluate, assess and prevent risks and ensure their appropriate mitigation.</p> <p>Web-links to relevant documents:</p>	
<b>3. Building and implementing macro-prudential frameworks and tools</b>						
18 (23)	(Lon)	Amendment of regulatory systems to take account of macro-prudential risks	Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The FSSC was established by presidential decree to identify risks that may disrupt the functioning of the financial system, assess the macro prudential policies to mitigate their impact and identify the vulnerabilities of the financial system and the economy that may eventually have a significant impact on the development of the financial system. Within the FSSC, there have been established two working groups with a macro-prudential approach: one group is responsible to design metrics and</p>	<p>Planned actions (if any): The FSSC has the mandate to monitor continuously the development of quantitative and qualitative indicators to identify potential systemic risks.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>quantitative indicators to identify systemic risks; another group, to identify and assess potential vulnerabilities and risks to the stability of the financial system. MFA have strengthened their structural organizations to ensure sufficient resources are allocated to support the functions of the FSSC.</p> <p><input checked="" type="checkbox"/> Completed as of July 2010</p> <p>Overview (short description) of action(s) taken: The FSSC is comprised by the financial authorities and supported by working groups developed to conduct periodical analysis and research and to identify best practices.</p> <p>Web-links to relevant documents:</p>	
19 (24)	(Lon)	Powers for gathering relevant information by national regulators	Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: In accordance to their respective mandates,</p>	<p>Planned actions (if any): The FSSC will evaluate continuously that the information provided by the market is sufficient to identify potential systemic risks. In addition, the Committee will follow the developments and best practices at an international level to achieve consistency.</p>

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			or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions.		<p>financial authorities participating in the FSSC have sufficient powers for obtaining the required information from their regulated / supervised institutions, markets and instruments.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
20 (25)	(FSF 2009)	Use of macro-prudential tools	<p>3.1 Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes.</p> <p>Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the</p>	End-2009 and ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Within the FSSC it was established a working group to design metrics and</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
	(Cannes)		<p>macro-prudential (system-wide) level... Authorities should review enforcing minimum initial margins and haircuts for OTC derivatives and securities financing transactions.</p> <p>We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject.</p>		<p>quantitative indicators (including a simple, non-risk based leverage measure) to identify systemic risks. Such works include the assessment of micro and macro prudential indicators to identify and to assess risks building up across the financial system.</p> <p>Web-links to relevant documents:</p>	
21 (26)	(WAP)	Monitoring of asset price changes	Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p>	<p>Planned actions (if any):</p> <p>The FSSC will evaluate further enhancements to macro-prudential tools to identify relevant changes in asset prices.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<input type="checkbox"/> Completed as of  Overview (short description) of action(s) taken: The FSSC has worked in the development of macro prudential indicators to monitor the evolution of asset prices and their implications for the financial system.  Web-links to relevant documents:	
22 (27)	(FSF 2008)	Improved cooperation between supervisors and central banks	V.8 Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by  <input type="checkbox"/> Others, please specify:  <input type="checkbox"/> Completed as of  Overview (short description) of action(s) taken: One objective of the FSSC is to strengthen information exchange mechanisms to identify ex ante the vulnerabilities affecting financial stability and to ensure that during	Planned actions (if any): Further steps include the enhancement of the cross-border information exchange mechanisms.  Expected commencement date:  Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>stress periods, the required information flows expeditiously.  On October, 2008, the CNBV and the Central Bank signed a MoU for information exchange and joint on-site inspections. The National Insurance and Sureties Commission (CNSF) and the IAIS signed an information exchange agreement (Multilateral Memorandum of Understanding, MMoU), additionally, the CNSF signed this year MoUs with other national authorities and is negotiating other MoUs for this purpose.</p> <p>Web-links to relevant documents:</p>	
<b>4. Improving oversight of credit rating agencies</b>						
23 (35)	(Lon)	Registration of CRAs etc.	All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input checked="" type="checkbox"/> Draft regulations/guidelines published as of February 2012 <input type="checkbox"/> Final rules expected to be in force by  <input type="checkbox"/> Others, please specify: CRAs are required to be authorized since 1999. In this year, the CNBV enhanced the requirements for authorization, including contingency plans and evidence of financial viability for the following two years. Other	Planned actions (if any): Following IOSCOs recommendations, the CNBV will issue the new rules for CRAs which will contain the amendments to the Code of Conduct and several rules that are considered adequate for strengthening market discipline.  Expected commencement date:  Web-links to relevant documents:



# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			Conduct Fundamentals.		<p>improvements refer to structured finance ratings, disclosure and transparency, sound internal controls, anti-rating shopping provisions, etc.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:  According to the Securities Market Law, Credit Rating Agencies require authorization from the CNBV. This process comprises the registry of the firm's legal incorporation information and correspondingly, information from the shareholders, from the members of the board and from the main directors. Also, requires a business plan document, the operative manuals (including the description of the processes and the output scales of ratings, as well as the policies for publishing the ratings), the code of conduct and the compliance of the board and the directives to the international standards. Additional information that authorities shall consider relevant might be requested.</p> <p>Web-links to relevant documents:</p>	
24 (36)	(Lon)	CRA practices and procedures	National authorities will enforce	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being	Planned actions (if any): The CNBV is in the consultation

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
		etc.	<p>compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.</p> <p>CRA's should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities,</p>		<p>developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The CNBV has discretionary authority to issue additional requirements beyond the CRA's code of conduct. The Securities Market Law empowers the CNBV to modify where appropriate the operating rules.</p> <p>Web-links to relevant documents:</p>	<p>process for reviewing and discussing a new set of rules aimed to improve transparency within the rating process, enhance the procedures for rating structured products and reduce CRA's potential conflicts of interest.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			including through IOSCO.			
25 (37)	(FSB 2009)	Globally compatible solutions to conflicting compliance obligations for CRAs	Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010.	As early as possible in 2010	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input checked="" type="checkbox"/> Draft regulations/guidelines published as of February 2012</p> <p>The adoption of IOSCO's Code of Conduct, constitutes the basic layer for the jurisdictions of the Technical Committee of such Organization.</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify: In addition, the CNBV has worked on a proposal to amend the Securities Market Law, to have more powers for sanctioning CRAs from inadequate or wrongful practices.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The CNBV is currently working in the new regulatory framework to improve the quality and integrity of the credit rating process and avoid conflicts of interest, taking into consideration avoiding</p>	<p>Planned actions (if any): Financial authorities will evaluate on a continuous basis the regulatory developments in order to maintain the best regulatory approach towards CRAs.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>



# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
	(Cannes)		<p>the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation.</p> <p>We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings.</p>			

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
<b>5. Enhancing and aligning accounting standards</b>					
27 (28)	(WAP)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input checked="" type="checkbox"/> Final rules expected to be in force by January 2012  <input type="checkbox"/> Others, please specify:  <input type="checkbox"/> Completed as of  <p>Overview (short description) of action(s) taken:  Effective on January 1, 2012, all listed companies except financial institutions will be required to present their financial information accordingly to IFRS, as issued by the IASB, however, early implementation is allowed.  Regarding loans provisioning, the CNBV has established the methodologies based on an expected loss approach applicable to mortgage, consumer credits (including credit cards and personal loans) and for subnational governments loans.</p> <p>Web-links to relevant documents:</p>
Planned actions (if any): Financial authorities are monitoring the development of international accounting standards  Expected commencement date:  Web-links to relevant documents:					

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
28 (30)	(FSF 2009)	The use of valuation reserves or adjustments by accounting standard setters and supervisors	3.4 Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak.	End-2009	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any): Once the high quality standards are defined, financial authorities will evaluate the best manner to incorporate them into the regulatory framework.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
29 (31)	(FSF 2009)	Dampening of dynamics associated with FVA.	3.5 Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen	End-2009	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any): Financial authorities are evaluating the best manner to incorporate standards on FVA into the regulatory framework. Regarding to transfers between financial assets categories and</p>

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			<p>adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements.</p>		<p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Financial authorities are evaluating the development of international accounting standards in this respect, in order to determine whether existing regulations should be modified, since in general the FVA is according to prices provided by price vendors.</p> <p>Web-links to relevant documents:</p>	<p>hedge accounting requirements, CNBV is waiting for a final draft of IFRS 9 “Financial Instruments” issued by IASB in order to evaluate the best manner to incorporate changes into the regulatory framework.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
<b>6. Strengthening adherence to international financial standards</b>						
30 (32)	(Lon)	Adherence to international prudential regulatory and supervisory standards, as well as agreeing to undergo	We are committed to strengthened adherence to international prudential regulatory and supervisory standards.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p>	<p>Planned actions (if any):</p> <p>Authorities will continue evaluating developments of international financial standards to maintain financial stability and enhanced openness and transparency in the financial sector.</p>



# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
		<p>FSAP/ FSB periodic peer reviews</p> <p>(Note) Please try to prioritise any major initiatives conducted specifically in your jurisdiction</p>	<p>FSB members commit to pursue the maintenance of financial stability, enhance the openness and transparency of the financial sector, implement international financial standards, and agree to undergo periodic peer reviews, using among other evidence IMF / World Bank FSAP reports.</p>	<p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:  The financial system in Mexico went through an FSAP in 2001 and FSAP updates in 2006 and 2011 (published in 2012). In addition, Mexico was the first FSB member subject to an FSB Country Peer Review, approved by the FSB in September 2010.  As a member of FATF, Mexico has adopted the recommendations to its regulatory framework. However, since the revaluation of FATF to Mexico during 2008, the authorities are currently amending diverse regulations to increase its compliance to international standards. In this respect, financial authorities are undertaking a comprehensive reform to the AML/CFT regulatory framework to enhance prevention of illicit transactions. Such reform includes the standardization of AML/CFT frameworks for different financial entities and prevents regulatory arbitrage from undertaking similar activities.</p>	<p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents: <a href="http://www.imf.org/external/np/fsap/fsap.aspx">http://www.imf.org/external/np/fsap/fsap.aspx</a>  <a href="http://www.financialstabilityboard.org/list/fsb_publications/tid_141/index.htm">http://www.financialstabilityboard.org/list/fsb_publications/tid_141/index.htm</a>	
<b>7. Enhancing risk management</b>						
31 (4)	(WAP)	Enhancing guidance to strengthen banks' risk management practices	Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by  <input type="checkbox"/> Others, please specify:  <input type="checkbox"/> Completed as of  Overview (short description) of action(s) taken: MFA have developed a prudential regulatory framework for risk management practices and reinforced the supervisory oversight functions to complement global supervision requirements. Additionally, there is work ongoing on: - Internal methodologies to estimate expected losses and loan-loss provisioning on credit portfolio	Planned actions (if any): Further steps include the development of methodologies to oversee corporate governance and internal controls for risk management taking into account BCBS recommendations.  Expected commencement date:  Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<ul style="list-style-type: none"> <li>- Regular stress testing to identify potential risks.</li> <li>- Enhancement of the supervision of internal controls processes of banks to reduce the operational and legal risks involved on securities trading activities</li> </ul> <p>Web-links to relevant documents:</p>	
32 (4)	(FSF 2009)	Validation of adequacy of banks' capital buffers	1.4 Supervisors should use the BCBS enhanced stress testing practices as a critical part of the Pillar 2 supervisory review process to validate the adequacy of banks' capital buffers above the minimum regulatory capital requirement.	Ongoing	<p>Implementation ongoing:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</li> <li><input type="checkbox"/> Draft regulations/guidelines published as of</li> <li><input type="checkbox"/> Final rules expected to be in force by</li> <li><input type="checkbox"/> Others, please specify:</li> <li><input type="checkbox"/> Completed as of</li> </ul> <p>Overview (short description) of action(s) taken:  Since 2008, the CNBV has conducted regular stress testing scenarios based on inertial and case sensitive analyses. The CNBV is following the BCBS recommendations for stress testing to enhance the capital requirements sufficiency.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents:	
33 (4)	(FSF 2008)	Monitoring the implementation of updated guidance on liquidity risk	II.10 National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of <p>Overview (short description) of action(s) taken:  The CNBV and the Central Bank are working on a proposal to enhance the framework for liquidity risk management at the banking sector. This proposal is expected for completion and implementation in 2012. Furthermore, both authorities have developed templates for collecting information required to calibrate the liquidity standards as established in Basel III. Experience on the data collected over the past six months is used for fine-tuning the templates and to assist financial institutions providing the information</p>	<p>Planned actions (if any):  The CNBV is conducting preliminary impact assessments based on the adoption of the new capital, liquidity and leverage standards.  Additionally, the CNBV is in process to finalize the proposal rules in order to incorporate the liquidity risk principles in the comprehensive risk management framework.  The measurement process (observation period) for the two quantitative standards (NSFR and LCR) started on the last quarter of 2011.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>required.</p> <p>Web-links to relevant documents:</p>	
34 (4)	(FSB 2009)	Enhancing banks' operations in foreign currency funding markets	Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of Originally on 1995, followed by subsequent amendments since then and until recently</p> <p>Overview (short description) of action(s) taken: The Central Bank has issued regulation for foreign currency exposures, covering three main areas: a requirement of liquid assets to cover net cash outflows during a 60 day period, a limit to the net open position, and a limit to net outflows for the medium term. As a result, banking institutions have reduced significantly their exposure to foreign currency.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents:	
35 (39)	(Pitts)	Robust, transparent stress test	We commit to conduct robust, transparent stress tests as needed.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:  Efforts of the CNBV are conducted on a three-pronged approach:  I) Development of a new agenda for risk management supervision, stress testing the risk governance of banks based on lessons from the recent crisis.  II) A stress test exercise for banks involved on traditional activities. The exercise should allow high level discussions on the bank's capital requirements for the following two years.  III) Development of a risk based framework for macroeconomic stress testing to assess, an institution's reliance individually and at</p>	<p>Planned actions (if any):  Financial authorities will conduct regular assessments to verify the adequacy and effectiveness of stress testing and assess the need for stronger coordination between the central bank and the prudential regulator on the design of stress tests.  In a second stage, the risk based framework for macro economic stress testing will be used for assessing potential shocks from the financial system to economy.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>a systemic level, bearing on distress dependence amongst banking institutions and their impact from macroeconomic and financial volatility.</p> <p>Web-links to relevant documents:</p>	
36 (40)	(Pitts)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Accounting standards in Mexico require that financial institutions disclose impaired assets and fair value losses from both financial assets and financial liabilities. Furthermore, the banking supervisor is allowed to require when needed, additional information from financial institutions.</p>	<p>Planned actions (if any): Development of a regulatory framework for convertible instruments for banking capitalization.</p> <p>Expected commencement date: Ongoing</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents:	
37 (41)	(WAP)	Enhanced risk disclosures by financial institutions	Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:  Current prudential regulation (within the comprehensive risk management framework) requires financial institutions to disclose qualitative and quantitative information on credit, liquidity, market and operational (legal and technological) risk exposures and their risk management procedures, including: policies, methodologies, VAR, descriptive statistics on credit risk and expected losses and any other relevant information.  Similarly, accounting standards require financial institutions to disclose impairment and fair value losses on financial assets and</p>	<p>Planned actions (if any):  The CNBV is constantly reviewing international developments on risk management practices and disclosure to amend the prudential regulation and accounting standards accordingly.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>



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					<p>financial liabilities (taking into account materiality in the case of interim financial reporting). Furthermore, the CNBV is allowed to require, when needed, additional information from financial institutions.</p> <p>Web-links to relevant documents:</p>	
<b>8. Strengthening deposit insurance</b>						
38 (42)	(FSF 2008)	Review of national deposit insurance arrangements	VI.9 National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed.	Ongoing	<p>No response required for this survey.</p> <p>Please refer to peer review report on deposit insurance systems published in February 2012, available at:  <a href="http://www.financialstabilityboard.org/publications/r_120208.pdf">http://www.financialstabilityboard.org/publications/r_120208.pdf</a></p>	
<b>9. Safeguarding the integrity and efficiency of financial markets</b>						
39 (new)	(Cannes)	Market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012.		<input type="checkbox"/> Others, please specify:  <input type="checkbox"/> Completed as of  Overview (short description) of action(s) taken:  Web-links to relevant documents:	
40 (new)	(Cannes)	Enhanced market transparency in commodity markets	We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by  <input type="checkbox"/> Others, please specify:  <input type="checkbox"/> Completed as of  Overview (short description) of action(s) taken:	Planned actions (if any):  Expected commencement date:  Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012		Web-links to relevant documents:	
<b>10. Enhancing consumer protection</b>						
41 (new)	(Cannes)	Financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by According to the Law for the Defense of Financial Services Consumers, the Executive Power has to issue rules for the Supervision of financial intermediaries. The final draft of the rules prepared by Conduesef	Planned actions (if any): Within the National Council for Financial Inclusion, created in October 2011, there is a consumer protection working group. This group's objectives are: • Identify, analyze and propose actions to solve any factor

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			<p>strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions.</p>		<p>is under revision of the President's office. The rules include all the surveillance, prevention and correction powers that Condusef has. The publication is expected to happen in the next months. Condusef modified its secondary regulation that applies to financial intermediaries to incorporate the regulatory changes regarding simplified accounts. These changes to Condusef secondary regulation should be issued in the next months.</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Banxico publishes every two months reports on basic indicators of credit cards and car loans. These reports' objective is to provide information on these markets. <a href="http://www.banxico.org.mx/sistema-financiero/index.html">http://www.banxico.org.mx/sistema-financiero/index.html</a></p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Condusef has four main responsibilities:</p> <ul style="list-style-type: none"> <li>• Advise and inform consumers</li> <li>• Conciliation and defense</li> </ul>	<p>affecting the users of financial products.</p> <ul style="list-style-type: none"> <li>• Adopt international best practices on financial consumer protection</li> <li>• Incorporate consumer protection consideration in the new business models and products promoted by the Council and the private sector.</li> </ul> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<ul style="list-style-type: none"> <li>• Regulation and supervision</li> <li>• Financial education</li> </ul> <p>From these responsibilities, the first and last are the ones in which Condusef has advanced the most. Condusef has established many channels to serve financial services consumers, i.e. call center, customers services points, Internet (including social networks). Every day more people approach Condusef to get advice.</p> <p>There is also a Financial Education area within Condusef that has developed a significant amount of educational and information material that is available in its webpage. Condusef also offers workshops to firms on financial education for their employees.</p> <p>With regards to supervision, Condusef lacks the resources to carry out its supervisory mandate. I must count with more human and material resources to improve this task.</p> <p>Regarding the defense of consumers, Condusef has no powers to order financial service providers to compensate an investor for losses.</p> <p>Web-links to relevant documents:</p>	

**Origin of recommendations:**

Cannes: The Cannes Summit Final Declaration (3-4 November 2011)

Seoul: The Seoul Summit Document (11-12 November 2010)

Pitts: Leaders' Statement at the Pittsburgh Summit (25 September 2009)

Lon: The London Summit Declaration on Strengthening the Financial System (2 April 2009)

Tor: The G-20 Toronto Summit Declaration (26-27 June 2010)

WAP: The Washington Summit Action Plan to Implement Principles for Reform (15 November 2008)

FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience (7 April 2008)

FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System (2 April 2009)

FSB 2009: The FSB Report on Improving Financial Regulation (25 September 2009)

## **Index of acronyms**

Example:

FSB: Financial Stability Board

FSSC: Financial System Stability Council

MFA: Mexican Financial Authorities

FSAP: Financial Sector Assessment Program

CNBV: Comisión Nacional Bancaria y de Valores

CONDUSEF: Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros