New Bank Start-up Unit
What you need to know from the UK’s financial regulators

January 2020
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Introduction

The New Bank Start-up Unit (NBSU) was set up by the UK’s financial regulators, the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA), to give you the information and support you need if you’re thinking of becoming a new bank in the United Kingdom.

Any firm that wants to become a bank in the UK must be authorised by the PRA. The PRA will only authorise a new bank with FCA consent. This guide includes five sections with useful information for you to use if you’re thinking of setting up a bank. This should be reviewed alongside the information provided at the most recent NBSU Seminar, which set out examples of good and bad practice during the authorisation process: www.bankofengland.co.uk/prudential-regulation/new-bank-start-up-unit.

Thinking about becoming a bank?

The Early stages section goes through the basics, including whether setting up a bank is the right thing for you, and what the alternatives might be.

What do you need to do to get started?

If you decide that you want to become a bank, you may find the Pre-application section helpful. It includes details of the pre-application meetings which, in our experience, have been helpful to all parties. The pre-application stage is optional.

What happens when you apply to become a bank?

You can look ahead to find out what happens when you apply to become a new bank in the Application section. The application section includes information about what we will assess, and how long it could take to make a decision.

How can you build out your bank with confidence?

The Mobilisation section sets out how you can build your new bank with confidence. We may authorise your bank with restricted permission while you secure further investment, recruit staff and build IT systems, for instance. The mobilisation stage is optional.

What’s life like as a new bank in the United Kingdom?

What can you expect when your firm has been authorised as a bank in the UK? Answers to this question and others, are set out in the After authorisation section.

If there are any words or phrases that you don’t understand, or a question that comes to mind, please check the FAQs (Appendix 1). We also have glossaries in the PRA Rulebook and FCA Handbook. If you have any queries about becoming a new bank you can also email NewBankStartupUnit@bankofengland.co.uk or call 020 3461 8100.
Thinking about becoming a new bank?

Early stages

This section includes questions to ask yourself if you’re thinking about becoming a new bank and next steps:

- Is setting up a new bank right for you?
- What is a bank?
- What are the alternatives?
- Things to consider if you decide setting up a bank is right for you.

Is setting up a new bank right for you?

Depending on your business plan or the activities you want to undertake, setting up a bank may not be the only, or in some cases, the most appropriate option. There are a number of alternatives to becoming a bank which allow you to provide some of the services that banks offer at a potentially lower cost.

But note, there may be legal restrictions on the scope or size of some of these alternative options.

What is a bank?

A bank is an entity that carries out deposit-taking business. More specifically the PRA Rulebook defines a ‘bank’ as:

1. a firm with a Part 4A Permission to carry on the regulated activity of accepting deposits and is a credit institution, but is not a credit union, friendly society or a building society; or
2. an EEA bank (EEA banks are in general subject to their home regulatory regime and are therefore excluded from the definition).

The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 sets out the definition of the regulated activity of accepting deposits (see Chapter II Accepting Deposits). This definition clearly stipulates that money received by way of deposit is lent to others. You should consider if your business plans fall within this definition.

What are the alternatives?

You can use our ‘Should I become a bank?’ factsheet (Appendix 3) to see whether being a bank is the appropriate model for you. See also our ‘Alternatives to being a bank’ factsheet (Appendix 4) which includes more information on some of the alternatives.
Things to consider if you decide setting up a bank is right for you

If you have considered the alternatives and have concluded that setting up a bank is the right route, there are some important things to consider before contacting us to start the authorisation process.

Questions include:

- Do you need to go through the authorisation process?
- What if your firm is already authorised?
- What will your bank do and how will it do it?
- Do you need to undertake any other regulated activities?
- What is the new bank authorisation process?
- When can you call yourself a bank?
- How can you access payment systems?
- What are the next steps?

Do you need to go through the authorisation process?

If your new bank will be headquartered in the UK you will need to go through the new bank authorisation process and be authorised by the PRA and regulated by the PRA and the FCA.

International banks headquartered inside and outside the EEA may operate in the UK through a branch, a subsidiary or both. For firms that had passporting rights and that are now in the Temporary Permissions Regime ('TPR'), please read the PRA's and FCA's pages. You will need to go through the new bank authorisation process for either approach and will then, if successful, be authorised by the PRA and regulated by the PRA and the FCA. Please see the ‘International banks’ factsheet (Appendix 5) for further details.

What if your firm is already authorised?

If your firm is already authorised you will need to apply to vary your permissions to add deposit-taking. While this is a different type of authorisations transaction, you will need to follow the same process as a new bank and you should start pre-application activities with us as normal.

What will your bank do and how will it do it?

Before contacting us you should consider the following key areas, as these are things we will initially want to focus on:

- business model;
- senior management, the board and governance;
- financial resources;
- IT strategy; and
- outsourcing.

We would encourage all applicants to read 'A review of requirements for firms entering into or expanding in the bank sector' and the subsequent progress review which are both available here. Although these were published in 2013 and 2014 respectively, they are still relevant and include material not available elsewhere.

Do you need to undertake any other regulated activities?

Depending on your business plan and the products you plan to offer, you will also need to consider any other regulated activities that your bank will undertake. For example, you will also need permission to offer any of the following:

- mortgages;
- consumer credit;
- insurance mediation; and/or
- e-money authorisation.
What is the new bank authorisation process?
Setting up a new bank requires agreement from both regulators. While the PRA makes the final decision on an application, the PRA can only authorise a new bank with the FCA’s consent. If the FCA concludes that it cannot provide its consent, the PRA will be unable to authorise a new bank.

Authorisation is a structured process which is made up of the following distinct stages:

- **pre-application** – developing your proposition and preparing your application to become a new bank;
- **application** – submitting your application for us to assess and decide whether to authorise your new bank; and
- **mobilisation** – an optional stage where the new bank, once authorised, completes its set up before starting to trade fully.

When can I call myself a bank?
Not yet. The use of certain sensitive words such as ‘bank’ and ‘banking’ in registered company names is controlled by legislation in order to prevent the public from being misled. A firm cannot call itself a bank until it has been authorised. Please also be careful when talking about your firm to the press, and on social media.

You may begin the application process as ‘Example Ltd’ but only when you are authorised can you call yourself ‘Example Bank Ltd’.

You should seek the FCA’s consent before using domain names that include sensitive words including ‘bank’ and ‘banking’. There is further information on sensitive business names [here](#).

How can you access payment systems?
You should consider your options for accessing payment systems as early as possible in order to be able to adequately reflect these in your plans. Firms can access a payment system in a number of ways:

- full direct access - where you have a direct technical and settlement relationship with the payment system operator (PSP);
- direct technical access - where you have a direct technical relationship with the PSP but use a sponsor for settlement; or
- indirect access - where an Indirect Access Provider (IAP) acts as your sponsor for both technical and settlement sponsorship.

There are a number of software vendors that have products and services that may reduce the cost and complexity of the direct access option and a number of IAPs that provide indirect access offerings.

Further information about direct and indirect access can be found on the Payments Systems Regulator and Payment System Operators’ websites, and in the Code of Conduct for Indirect Access Providers.
What do you need to do to get started?

Pre-application

This section covers the things for you to consider during the pre-application stage, and what happens next, including:

- What is the purpose of the pre-application stage?
- What do the pre-application meetings with us involve?
- What are our expectations of you and what you can expect from us?
- What are the pre-application timeframes?
- How do you start the pre-application process when you’re ready?
- What are the next steps?

You may find it helpful to refer to the FAQs which include information on Small Specialist Banks, technology and the use of consultants.

What is the purpose of the pre-application stage?

The pre-application stage is optional - you can send your application to us at any time and we will use our statutory powers as set out in FSMA to reach a decision on your application. However, our experience tells us that meeting with a prospective new bank before it submits its application can be highly beneficial for all parties. A number of structured formal meetings/engagement will help you:

- understand the authorisation process and what happens at the various stages;
- understand our expectations of you and in particular the PRA’s and the FCA’s Threshold Conditions (Appendix 6);
- better iterate and develop your proposition, to support a better quality application;
- identify any particular concerns that we might have early on and help you decide whether you want to spend time and money on an application that may not be successful; and
- submit as complete an application as possible to enable us to reach a decision.

What do the pre-application meetings with us involve?

The pre-application stage is based around a series of meetings between you and us. We have found that three meetings are often sufficient with the potential for additional meetings depending on the complexity or novelty of your proposition.

- **Initial meeting** – This provides an opportunity for you to discuss your plans with us and ask questions about the authorisation process, including whether or not mobilisation is appropriate for you. It will also help us identify potential ‘showstoppers’.
- **Feedback meeting** – This is held after you have submitted, and we have reviewed, your draft Regulatory Business Plan (RBP), which should incorporate our feedback from the initial meeting. You can expect a detailed discussion of your plans. We will again provide written feedback following this meeting which you will be expected to address in your updated RBP.
- **Challenge session** – You can expect at least one meeting during which we will provide challenge on your draft capital and liquidity documents.

We will explain any changes to the content and number of pre-application meetings we have with you.

The meetings will typically be held at either the PRA’s or FCA’s offices in London where you will be expected to attend in person rather than by telephone or video conference. Exceptions will primarily be for internationally headquartered banks.
Please keep us updated on any material changes to your proposition, and the timeline for when you expect to submit your materials.

We will send you an agenda before all meetings and provide formal written feedback after the meetings. If you have advisors, they are welcome at all pre-application meetings - but we do not expect them to speak on your behalf.

**What are our expectations of you and what can you expect from us?**

The table below outlines what you can expect from us and what we expect from you during the pre-application process:

<table>
<thead>
<tr>
<th>Our expectations of you:</th>
<th>What you can expect of us:</th>
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<tr>
<td>• Be open and honest with us.</td>
<td>• Be open, honest and clearly set out the requirements to become a bank.</td>
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<tr>
<td>• Develop your plans, complete the necessary work, prepare and send materials in good time for meetings with us.</td>
<td>• Host pre-application meetings and make the process as smooth as possible.</td>
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<tr>
<td>• Address or incorporate any feedback provided by us into your RBP/ICAAP (Internal Capital Adequacy Assessment Process)/ILAAP (Internal Liquidity Adequacy Assessment Process) before moving to the next stage.</td>
<td>• Provide you with clear feedback on your proposals including through formal written feedback.</td>
</tr>
<tr>
<td>• Understand, consider and demonstrate how you will meet the required standards at authorisation and on an ongoing basis.</td>
<td>• Help you to understand the standards required of being an authorised bank.</td>
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**What are the pre-application timeframes?**

The pace at which you progress through the pre-application stage is largely up to you, but in order to navigate the process as quickly as possible to achieve your objective of becoming a bank, you should have:

- a well thought through proposition;
- robust challenge and consideration of threats/risk/harms;
- clear and concise documentation; and
- a good understanding of regulatory requirements.

We expect you to keep us up to date on progress and will endeavour to hold pre-application meetings in as timely a way as possible.

**How do you start the pre-application process when you’re ready?**

To start the pre-application process, ensure your proposition addresses the points mentioned above and then contact us.
Initial meeting

The initial meeting gives you an opportunity to discuss your plans with us and for us to understand them. It will also allow us to highlight any areas we consider you will need to address before you can move further through the pre-application stage. You will also have the opportunity to ask us questions about the authorisation process.

In this section you can find out more about the initial meeting including:
- What do you need to know and do?
- What needs to happen before the meeting?
- What will happen at the meeting?
- What are the next steps?

What do you need to know and do?

In advance of the initial meeting we will ask you to prepare a brief high-level summary of your business proposition, which can be in the form of a slide presentation. This should not be a ‘sales pitch’ that might be used with potential investors and as a minimum should contain the following:
- an explanation of why you want to be a bank;
- what you are going to do and how you will achieve this, including:
  - business model – what products you will be offering, how you will offer them and your target market;
  - high level financial forecasts – to include balance sheet, income statement etc.;
  - sources of funding – how you propose to fund the business and whether you have any investors and/or funding in place;
  - owners and controllers – details of proposed owners and controllers, as far as they are known;
  - corporate governance – details of the governance structure, board, senior management and other governance arrangements, as far as they are known; and
  - project plan - an overview and timeline of your plan to set up the new bank; and
- the application forms and the supporting notes are a helpful resource when preparing your business proposition.

What needs to happen before the meeting?

You need to send us materials for discussion before we meet. Once you have sent us your materials, we will arrange the meeting at a mutually convenient time.

What will happen at the meeting?

At the initial meeting, you will meet staff from the New Bank Start-up Unit who will discuss the application process with you. You can expect high level challenge of your business proposition and by the end of the meeting we should have a clear idea of why you want to be a bank and how your business will operate; you should have a clear understanding of the next steps and our expectations.

What are the next steps?

We will explain what you must do to progress to the feedback meeting. Within 10 working days of the meeting we aim to send you our formal feedback in a letter. You should then develop your RBP supported by a cover note explaining how and where you’ve addressed our feedback.
Feedback meeting

Why is the feedback meeting important?
The feedback meeting represents a key stage in your pre-application journey. Your business strategy will be fixed in your RBP at this point, and this will also present a clear plan for you wider proposition. The feedback meeting provides an opportunity for us to scrutinise your plans in more detail, and to identify concerns and areas of focus from our perspective in advance of your application. You can expect our engagement at this point to become more detailed and practical. This stage will look at:

- How do you plan to be profitable?
- What are the key risks and harms?
- How will you identify and mitigate these risks and harms?
- Priority areas to focus on.

In this section you can find out more about the Feedback meeting including:

- What do you need to know and do?
- What needs to happen before the meeting?
- What will happen at the meeting?
- What are the next steps?

What do you need to know and do?
The feedback meeting is when a full RBP is first required. The RBP is the key document describing your business plan, containing what you want to do, why, and how the bank will be set up and make money. Equally importantly, it also explains the risks your business poses and how you will look to mitigate them.

The RBP should primarily be a document for you to set out the strategy and operational plan of the bank to your Board and other stakeholders. We do not expect material differences between the RBP and any business plan you present to other stakeholders e.g. investors. A strong RBP will give comfort to your Board and to us that you are aware of the risk profile of your business and have an effective plan to manage it appropriately.

The RBP is not a one size fits all document but there are some overall principles you should follow when drafting/ editing your RBP:

- the RBP needs to be subject to challenge before being submitted to us (i.e. the document should be reviewed by someone other than the author – and we would expect the Board to be part of this);
- it needs to be a coherent and consistent document throughout;
- when producing the RBP, you need to think about quality over quantity;
- it needs to presents a case for viability (short term) and sustainability (longer term) of the proposal;
- it needs to highlight core assumptions that are used in its projections and how these have been determined; and
- conduct risks need to be considered throughout the document.

We have included below what the RBP should cover at a minimum only, as the level of detail for different sections will vary based on the business model of your bank (there is no one size fits all template):

- business plan – details of products, delivery channels and target market;
• business viability – competitive advantage, market research and how your bank will make money;
• financial resources – financial projections (for five years), capital and liquidity strategy, as appropriate;
• sources of funding – proposed funding model;
• owners and controllers – proposed owners and controllers;
• corporate governance – structure, board, senior management and governance arrangements;
• risk management – risk management and control framework;
• conduct risk – to include the customer journey and incorporating products, pricing, complaint handling and on-boarding arrangements (including Anti-Money Laundering/Know Your Customer processes). More details can be found on our ‘Conduct Risk Assessment factsheet’ (Appendix 7);
• outsourcing – details of key outsourcing arrangements;
• IT – IT infrastructure and systems and timescales for implementation and testing;
• draft recovery plans;
• policies and procedures – operational and regulatory policies and procedures;
• business continuity – business continuity plans, if appropriate;
• scope of permissions – details of the regulated activities you wish to undertake;
• project plan – project plan for setting up the bank; and
• Home State Supervisor (HSS) – views of your HSS if you are an international bank, including whether the HSS approves of your plans to expand in the United Kingdom.

You may find the application forms and supporting notes helpful when preparing your RBP.

**What needs to happen before the meeting?**

You need to send us materials for discussion before we meet. We expect you to have addressed the feedback from the initial meeting and submitted a cover note explaining how you’ve responded and where this can be found in your documents. Once you have sent us materials that meet the standards described above, we will arrange the meeting for a mutually convenient time.

**What will happen at the meeting?**

At the feedback meeting you will meet your case officers from each of the regulators. We will discuss the regulatory implications of your proposals and any issues or concerns that we have. You will have the opportunity to ask questions or discuss any issues you may have. We may ask specialists from either regulator to attend the meeting if relevant to your application, but we will inform you of this when sending the agenda ahead of the meeting. We will also discuss the materials and information required for you to progress to the challenge session.

**What are the next steps?**

We will explain what you must do to progress to the challenge session. Within 10 working days of the meeting we aim to send you our formal feedback in a letter. You should then develop your RBP to a near final stage, as well as your technical documents (such as your ICAAP and ILAAP). We will assess all of these, and progress to a challenge session if the documents are all of a sufficiently good standard and our feedback has been addressed. A supporting cover note should be provided to explain how and where you’ve addressed our feedback.
Challenge session

Why is the challenge session important?
The challenge session is the culmination of the pre-application process. At this stage your RBP should be fully developed and you should expect an in-depth technical discussion regarding any element of the proposition.

We will meet you at least once to discuss your draft technical documents, including your capital (ICAAP) and liquidity (ILAAP) documents. We may also decide to hold more meetings with you to discuss other elements of your proposition.

In the case of an international firm seeking to establish a UK branch, a challenge session should still be expected even though an ICAAP and ILAAP are not required for a branch.

We may invite you to a conduct risk focused meeting to discuss the inherent harms your business model may create for customers, and whether your proposed culture mitigates or amplifies these harms. This should already be referenced throughout your RBP and should be sufficiently detailed to allow us to fully understand how you are proposing to identify and manage these risks and issues, and how you expect to track and report progress.

By the challenge session, we must be clear about your proposed business model as we will be looking to do an appraisal of your near final RBP. The aim of the challenge session is to identify any issues (including on capital and liquidity) that need to be addressed before you submit your application.

In this section you can find out more about the challenge sessions including:

- What do you need to know and do?
- What needs to happen before the meeting?
- What will happen at the meetings?
- What are the next steps?

What do you need to know and do?
You will need to have a fully developed RBP, which will include your response to the feedback from the feedback meeting, and draft technical documents (ICAAP and ILAAP). Your Board/management are expected to take ownership of these documents and be able to discuss any aspect of them with us at the challenge session. You should also submit a cover note explaining where and how you’ve addressed feedback.

Depending on whether you plan to take the mobilisation route or not, the level of detail required in your documents when you submit your application can vary. In all cases, we will require a near-final RBP. We will also require a project plan for mobilisation to be included at this stage if you plan to take the mobilisation route.

The application forms and the supporting notes are a helpful resource when preparing your RBP.

What needs to happen before the meeting?
You need to send us materials for discussion before we meet. Once you have sent us your materials that meet the standard above, we will arrange the meetings at a mutually convenient time.
**What will happen at the meeting?**

The challenge session will be attended by your case officers along with any relevant technical specialists. We expect appropriate senior personnel to attend from your firm. In most cases, you should expect rigorous technical challenge of your ICAAP and ILAAP. You could also receive challenge on any aspect of your revised RBP.

**What are the next steps?**

At the challenge session we will provide feedback on your readiness to submit an application. Any issues identified will also be summarised in a formal feedback letter. We will expect you to address all the feedback points before you submit your application. This should help you to submit as complete an application as possible, minimising delays that could be faced during the assessment period.
What happens when you apply to become a new bank?

Application

After the pre-application stage, including the challenge session, you should be ready to submit your formal application for us to assess and decide whether to authorise your new bank.

This section covers the things you need to do to submit your application, and what happens next, including:

- Where can you find the forms?
- What happens when you submit your application?
- Fees
- What happens when we receive your application?
- What will we assess?
- Why is completeness important?
- What are the Threshold Conditions?
- Senior Manager Functions - who will we interview?
- How long will we take to give you a decision on your application?
- The decision
- What happens if your application is not approved?

Where can you find forms?

You can find all the forms you need to complete on the Bank of England’s website.

Before you submit your application, you should review it to check you have provided adequate responses to all questions and enclosed any supporting documents. We also strongly recommend that you address all the issues and actions we have identified with you during the pre-application stage before you submit your application.

It is important to always be open and honest with us as the success of your application will be affected if we find you have provided false or incomplete information. In addition to the stated requirements, you should also provide us with any other information that you think we should be aware of. If you are in doubt about anything, then please disclose it.

What happens when you submit your application?

To submit an application, firms will need to follow the below steps:

For applications where the total file size amounts to 25 MB and below, firms will need to send an email with an electronic copy of their application to the PRA at the following mailbox: PRA-AhtagsVoPsCancellations@bankofengland.co.uk

For applications where the total file size amounts to 25 MB and above, firms should contact the PRA Authorisations Department using the following mailbox: PRA-AhtagsVoPsCancellations@bankofengland.co.uk to request login details to be able to access and submit the documents via the Bank of England Data Submission (BEEDS) portal. Users will need to provide the following information:

- Firm name;
- Forename;
• Surname;
• Email address; and
• Telephone number (used to receive a session security code as part of the log in process, users find a mobile number easier).

You can then upload and submit your documents via the BEEDS portal. Further information can be found in the BEEDs Portal User Guide and BEEDs Quick Reference Guide:

- **BEEDs Portal User Guide – New PRA Authorisations**
- **BEEDs Portal Quick Reference Guide**.

We expect you to submit the application via BEEDS – however, should you submit the application manually, you will need to contact the PRA for where to send the following:

- two electronic copies of all of the documents (on a memory stick, DVD, or other method); and
- a cheque made payable to the Financial Conduct Authority for the application fee of £25,000. Further details are available in Section 10 of the application form available [here](#).

**Fees**
The total application fee is £25,000. The preferred method for payment of fees is via BACS payment, however cheques are also accepted. Please refer to **FEES 4** in the FCA Handbook for more information.

**BACS Method**
When you make a payment, reference it with your application reference number and firm name and then email your remittance advice and payment details to: fcafees@fca.org.uk.

**FCA bank details**
Account name: FCA Collection account
Bank name: Lloyds Bank
Account number: 00828179
Sort code: 30-00-02
Swift code: LOYD GB 2LCTY
Iban code: GB68 LOYD 3000 0200 8281 79

Email your remittance advice and payment details to: fcafees@fca.org.uk and PRA-AuthsVoPsCancellations@bankofengland.co.uk.

**Cheque Process**
The cheque should be sent to the PRA at the following address: **Prudential Regulation Authority, Authorisations, 20 Moorgate, London, EC2R 6DA** but should be made payable to the **Financial Conduct Authority** as the scheme administrator (please note the FCA cannot accept post-dated cheques). You need to write the name of the ‘Applicant firm’ and title ‘Application for authorisation’ on the reverse of the cheque. The cheque should also be accompanied by a covering letter.

**What happens when we receive your application?**

When we receive your application at the PRA we will:

- log your application and distribute copies to the FCA; and
- assign case officers from the PRA and FCA, who will usually be the same people who guided you through the pre-application stage.
You should expect to receive written confirmation of receipt of your application from the PRA along with confirmation of your case officers within five working days. This confirmation will also briefly outline the assessment process. The key points are that we will:

- assess your application including whether it is complete or incomplete (see ‘What will we assess?’ and ‘Why is completeness important?’ below), and whether you will meet and continue to meet each regulator’s Threshold Conditions (see ‘What are the Threshold Conditions?’ below);
- write to you, usually within eight weeks, with the results of our completeness assessment and, if necessary, ask for any outstanding information;
- arrange a formal monthly catch-up call with you. This is a chance for all parties to update on progress and discuss any issues;
- interview a number of senior management and non-executive directors, in line with current regulations (see ‘Who will we interview?’ below); and
- be in touch if we want to visit you.

**Why is completeness important?**

When you do submit an application, the first assessment we will make is whether your application is complete or not. This affects the statutory deadline by which we must make a decision on your application as follows:

- Complete applications - we have a six month statutory deadline to assess an application that has been deemed complete.
- Incomplete applications - we have a twelve month statutory deadline from the submission of an incomplete application to assess an application.

For your application to be assessed as complete you will need to have provided us with all of the required application forms, which have been fully and correctly completed, and the information provided must be of sufficient quality and detail to allow us to complete our assessment.

We also expect you to have incorporated responses to our feedback provided during the pre-application stage.

**What will we assess?**

We will review the following information as part of our assessment:

- business plan/viability;
- financial resources, as appropriate;
- sources of funding;
- owner and controllers;
- corporate governance;
- risk management;
- customer journey;
- outsourcing;
- IT;
- policies and procedures;
- recovery and resolution, as appropriate; and
- business continuity.

We will also set the capital and liquidity levels you will need to hold based on the ICAAP and the ILAAP which you submit as part of your application. The PRA’s decisions will be communicated to you in writing, either in the letter with the results of our assessment or separately (as appropriate). This assessment is not applicable for branches of international firms, however in such cases the PRA will look at capital and liquidity on a whole firm basis.
What are the Threshold Conditions?
We will assess whether – on the information provided in your application - as an authorised firm you will meet and continue to meet each regulator’s Threshold Conditions, which are summarised below:

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<tr>
<th>The PRA’s Threshold Conditions for banks are:</th>
<th>The FCA’s Threshold Conditions for banks are:</th>
</tr>
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<tbody>
<tr>
<td>• Legal status;</td>
<td>• Effective supervision;</td>
</tr>
<tr>
<td>• Location of offices;</td>
<td>• Appropriate non-financial resources;</td>
</tr>
<tr>
<td>• Prudent conduct of business;</td>
<td>• Suitability; and</td>
</tr>
<tr>
<td>• Suitability; and</td>
<td>• Business model.</td>
</tr>
<tr>
<td>• Effective supervision.</td>
<td></td>
</tr>
</tbody>
</table>

There are clearly a number of similarities. The PRA assessment will focus on its statutory objective to promote the safety and soundness of banks. The FCA’s assessment will focus on its statutory objectives of protecting consumers; protecting and enhancing the integrity of the UK financial system; and promoting effective competition in the interests of consumers. More detail on the PRA’s and FCA’s Threshold Conditions can be found in the factsheet (Appendix 6).

Senior Management Functions - who will we interview?
The Senior Managers and Certification Regime (SMCR) is intended to support a change in culture at all levels. A key aspect of this is in ensuring the most senior decision-makers at your firm are assessed as fit and proper, have clearly defined responsibilities and be subject to enhanced conduct requirements. When you submit your application, you will also be expected to submit applications for those individuals applying for Senior Management Functions and demonstrate why you consider these individuals to be suitable. Details on the SMCR, as well as all the application forms and supporting documents, can be found here.

We will assess these applicants to make sure they are suitable for the role and have the skills, capabilities and behaviours required to hold key positions at your bank. These individuals should be the right people to create the right culture in the bank. In certain cases an interview will form part of our assessment of whether the candidate is fit and proper, aware of their responsibilities and have appropriate knowledge of the firm and the sector it will operate in.

Our assessment will also consider how appointments will contribute to a balanced and effective Board.

How long will it take to give you a decision on your application?
On receipt of an incomplete application, we have a twelve month statutory deadline to reach a decision. When the application is deemed complete, the statutory deadline shortens to six months from when the application was deemed complete.

The decision
Both regulators will make a decision independently on whether or not to authorise your new bank. While the PRA will make the final decision on your application, it may only authorise a new bank with the FCA’s consent. If the FCA does not provide its consent, the PRA will be unable to authorise your bank.

Your case officers will make a recommendation to approve or refuse your application. The decision to approve or refuse your application also incorporates the recommendation, or not, of all senior managers or any other transactions linked to your application (such as waivers).
The decision to authorise a firm is made by an independent decision-maker at each of the regulators. Your case officers will not decide whether to approve or refuse your application.

If we decide to approve your application, we will be in touch with you and include the following:

- **Authorisation letter** - which will include the details of any restrictions you are subject to, in particular if you are taking the mobilisation route;
- **Scope of Permission Notice** – which is your Part 4A permission and will set out the date from which the permission has effect, which regulated activities you have permission to carry on and any requirements or limitations; and
- **Welcome pack**.

You will also see your bank’s details on the Financial Services Register from the date you will be authorised as shown in the Authorisation Letter.

**What happens if your application is not approved?**

If it looks likely that we’re going to refuse your application, we will let you know both orally and in writing. If you are unable to address our concerns, we will issue you with a ‘minded to refuse’ letter, which will set out our concerns and detail which Threshold Conditions and/or specific rules have not been satisfied.

If you are unable to address our concerns, you may decide to withdraw your application and reapply when you are in a position to do so.

However, if you decide that you wish to proceed, we will escalate your case for a decision by senior management at both regulators. If they agree with the case team’s recommendation (to propose to refuse the application), the PRA or the FCA, as the case may be, will issue you with a Warning Notice.

At this stage, you will still be able to either withdraw your application or make representations (orally and/or in writing) to the relevant PRA or FCA decision-makers. If you decide to make representations, the relevant PRA or FCA decision makers will take your representations into account in deciding whether or not to refuse the application.

If, having heard any representations, the decision makers decide to refuse your application, a Decision Notice will be issued to you. The Decision Notice will notify you of your right to refer the decision to refuse your application to the Upper Tribunal (Tax and Chancery Chamber). If you decide not to refer the Decision Notice to the Tribunal, the PRA will issue you with a Final Notice and details of this may be published on the PRA’s website.
How can you build out your new bank with confidence? Mobilisation

As part of ‘A review of requirements for firms entering into or expanding into the banking sector’ available [here](#), we introduced an alternative route to becoming a fully operational bank. This involves the new bank being authorised at an earlier stage to help build your bank as an authorised institution. This often enables firms to better secure further investment, recruit staff, invest in IT systems and commit to third-party suppliers etc., due to the certainty of being authorised. In return, we limit the amount of business the new bank can undertake until it is fully operational. We refer to this as the mobilisation route. Mobilisation is also sometimes referred to as Authorisation with Restriction or AWR.

In this section you can find out more about mobilisation including:
- Is mobilisation right for all new banks?
- What are the benefits of using the mobilisation route?
- What do you need to have in place to be authorised and use the mobilisation route?
- How is mobilisation different from being fully operational at authorisation?
- What happens during mobilisation?
- What do we expect during mobilisation?
- How do you exit mobilisation?
- What if there are problems during mobilisation?

Is mobilisation right for all new banks?

Mobilisation is generally suitable for start-up banks which may not have the upfront investment, or need that time to build IT systems, infrastructure, recruit staff or engage with third-party suppliers.

Mobilisation is not usually suitable for applicants that have the resources, capital and infrastructure to allow them to set the bank up at speed before being authorised e.g. an existing firm. In the case of an international banking group seeking to establish a UK branch or UK subsidiary, the UK entity is likely to be able to utilise existing IT systems and other infrastructure and call on its parent for financial resources.

The mobilisation route is optional – but we would expect you to have clearly set out which route you are planning during pre-application.

What are the benefits of using the mobilisation route?

Banks that have taken the mobilisation route have told us that the certainty of being authorised allows them to proceed with far greater confidence and to invest in the build-out of the bank. You will need to complete all of your mobilisation activities and be fully operational before you start to trade fully and this can be done with the confidence of being authorised.

What do you need to have in place to be authorised and use the mobilisation route?

We expect the following, as a minimum, to be in place to be able to authorise a bank that intends to use the mobilisation route:
- business plan – a fully developed business plan including financial resources plan and financial projections for the first five years demonstrating that your business model is viable and sustainable;
• financial resources - a fully developed ICAAP and ILAAP and the minimum capital requirement in place;
• corporate governance – high level corporate governance/structure with the key ‘guiding minds’ in place. As a minimum this would include the Chair, CEO and a second senior executive. Please note we expect other key roles to be filled shortly after a bank enters mobilisation, for example the MLRO but this will be considered on a case-by-case basis;
• customer journey – near final customer journey including details of products, pricing, and on-boarding arrangements;
• risk management – draft risk management and control structures;
• IT - high-level outline of IT infrastructure and systems and material outsourcing arrangements;
• policies and procedures – under development;
• recovery – draft Recovery Plan;
• business continuity – draft Business Continuity Plan; and
• project plan – a credible and realistic mobilisation plan, that your board has endorsed, which includes all of the activities required to complete the build-out of your bank.

Depending on the nature of your bank and business model, it may be necessary for you to develop some elements further before authorisation. Conversely, you may be able to defer certain elements until during mobilisation. We will make you aware of this during the pre-application stage when we discuss your mobilisation plan with you.

How and why do we restrict the amount of business the new bank can undertake?

We will place a requirement on the new bank to limit the amount of business it can undertake until the build-out is complete and the bank is ready to be fully operational. For example, the requirement may allow the bank to accept deposits, but will limit the amount to reflect the lack of infrastructure and controls in place at the start of mobilisation.

Typically we will cap the level of deposits that a new bank can accept in total to £50,000. Once fully operational, we will remove the requirement and the bank can start to trade fully.

We anticipate firms will want to progress quickly through the mobilisation phase. This could take as little as three months but cannot continue indefinitely and should take no longer than 12 months.

How is mobilisation different from being fully operational at authorisation?

We introduced the concept of mobilisation to enable new banks to benefit from the certainty of being authorised to help them to secure further investment, recruit staff, invest in IT systems and commit to third-party suppliers, etc. For firms using the mobilisation route, the new bank will appear on the Financial Services Register as an authorised firm. This does not mean we are only considering authorising the bank or that the authorisation is subject to some conditions being met. You will be an authorised bank, just with a limit on the business you can undertake.

Mobilisation and Threshold Conditions

As noted above, as an authorised firm you will need to meet and continue to meet each regulator’s Threshold Conditions. This is true regardless of whether you take the mobilisation route or are fully operational at authorisation.
The difference during mobilisation is that with the restriction in place on the amount of business that a new bank can undertake, the requirements for meeting our Threshold Conditions are proportionately lower. However, prior to exiting mobilisation, you must be able to demonstrate to us that you will meet our Threshold Conditions without the limit on the amount of business the bank can undertake as is the case with a new bank that is fully operational at authorisation.

The table below provides a comparison between the information requirement for a bank that wants to be fully operational at authorisation and one that mobilises:

<table>
<thead>
<tr>
<th>Assessment area</th>
<th>Fully operational at authorisation</th>
<th>Mobilisation route</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business plan/viability</td>
<td>Fully developed</td>
<td>Fully developed</td>
</tr>
<tr>
<td>Financial resources Sources of funding ICAAP &amp; ILAAP</td>
<td>Fully developed</td>
<td>Fully developed</td>
</tr>
<tr>
<td>Corporate governance Structure Board Senior management</td>
<td>Fully developed Substantially in place All key senior management identified</td>
<td>High-level structure Key ‘guiding minds’ in place with senior roles critical to mobilisation identified and ready to be recruited</td>
</tr>
<tr>
<td>Customer journey including details of products, pricing, and on-boarding arrangements</td>
<td>Fully developed</td>
<td>Near final</td>
</tr>
<tr>
<td>Recovery Plan</td>
<td>Fully developed</td>
<td>Draft</td>
</tr>
<tr>
<td>Business Continuity Plan</td>
<td>Fully developed</td>
<td>Draft</td>
</tr>
<tr>
<td>Risk management and control structures</td>
<td>Fully developed</td>
<td>Draft</td>
</tr>
<tr>
<td>IT infrastructure and systems</td>
<td>Fully developed</td>
<td>High-level outline</td>
</tr>
<tr>
<td>Material outsourcing arrangements</td>
<td>Fully developed</td>
<td>High-level outline</td>
</tr>
<tr>
<td>Policies and procedures</td>
<td>Fully developed</td>
<td>Not required but development should be planned</td>
</tr>
<tr>
<td>Mobilisation plan</td>
<td>n/a</td>
<td>Fully developed and signed off by the board</td>
</tr>
</tbody>
</table>

It is important to stress the authorisation threshold for banks that mobilise is not lower: all of the information above will be required regardless of which route you take. However, when taking the mobilisation route you should be ready to submit an application more quickly than by the traditional route.

**What happens during mobilisation?**

During mobilisation you will be focused on completing the build-out of the bank. This could include (but is not necessarily limited to) the following:

- fully capitalising the bank;
- finalising senior management appointments and staff recruitment and training;
- finalising your customer journey, including details of products, pricing, and on-boarding arrangements;
- building-out control functions such as Risk, Internal Audit and Compliance;
- build, test and implementation of systems and IT infrastructure;
- completing policies and procedures;
- finalising outsourcing arrangements;
- finalising your Recovery Plan; and
- finalising your Business Continuity Plan.

These activities will depend on the nature of your firm and its business model. The list of mobilisation activities applicable to you will be discussed with you prior to entering mobilisation and will also be clearly articulated in your welcome pack and letter.

Mobilisation activities do not have to be done in strict sequence and you can decide when to complete them. You may decide to start working on some activities prior to entering mobilisation as this may allow more time to complete them. However, you should be aware of the risks involved in commencing any of the activities without the certainty of being authorised.

**What do we expect during mobilisation?**

During mobilisation you should remember the bank will be an authorised firm and you must meet the standards set out in both the FCA Handbook and the PRA Rulebook. You may also have to provide us with relevant information to show you are meeting these standards. More detail on your statutory reporting obligations can be found here.

In particular, mobilisation can be very capital intensive and you should be mindful of not breaching your minimum capital requirements at any point. Capital for new applicants under mobilisation is often set at the minimum capital requirement as required by the European Capital Requirements Directive, plus an add-on for wind-down costs. These funds must not be used to meet the costs of mobilisation.

You will also be expected to submit regular progress reports (including details of any issues or slippages against your mobilisation plan) to us and provide evidence of your progress towards becoming fully operational. For example, copies of policies and procedures and your final Recovery Plan.

We will provide you with regular feedback through face-to-face meetings, telephone calls or by email.

As a regulated firm you may also need to obtain our approval if:
- A new investor acquires an interest in your bank;
- An existing investor increases their stake;
- An existing controller decreases their stake or ceases to have an interest in the bank;
- You change your business model; or
- You need to apply for waivers or modifications to alter your compliance obligations.

If you are unsure whether you will need our approval you should contact your case officers who will be able to help.

**How do you exit mobilisation?**

We anticipate that firms will want to progress quickly through the mobilisation phase. This could take as little as three months but cannot continue indefinitely and should take no longer than 12 months.
Your case officer will help you when the time comes as you will need to remove the requirement restricting the business you can undertake by submitting a Variation of Permission (VoP) application via Connect. However, this VoP will not be approved until you have completed all of your mobilisation activities and are ready to start trading fully. As part of this process, you will need to have a credible exit plan and we will ask for confirmation from your board that you have successfully completed mobilisation. In particular, we will look to ensure you have capital coverage for the next 12 months, a credible recovery plan (including a plan for how you would wind down your business), and that your exit plan includes how systems and controls are expected to develop as your business grows.

Once we have approved your VoP, you will be sent written confirmation that the requirement has been removed and you can start to trade fully. You can find more information on the VoP process on the Bank of England’s website. Any changes will be reflected for your bank on the Financial Services Register from the date on which the VoP takes effect.

**What if there are problems during mobilisation?**

In our experience banks often underestimate the amount of time required to build-out the bank during mobilisation. In particular, the amount of time it takes to build, test and implement IT systems can be greater than expected. We always encourage firms to ensure their timetable includes appropriate levels of contingency while bearing in mind our expectation that mobilisation should not take longer than 12 months.

If you have concerns you will not be able to meet the terms of your mobilisation plan you should discuss these with your case officers as soon as possible. Similarly, if we have concerns about your progress, we will discuss these with you and may ask you to prepare a revised mobilisation plan.

However, if you are unable to complete mobilisation within 12 months, or to the required standard, we may take steps to remove your authorisation or you may decide to apply to cancel your authorisation.
What’s life like as a new bank in the United Kingdom? After authorisation

Being an authorised bank in the United Kingdom brings with it a number of obligations. You must meet the standards set out in both the FCA Handbook and the PRA Rulebook and must provide us with relevant information to show you are meeting these standards. You will also be subject to ongoing supervision by both regulators.

This section provides more detail on:
- What are the Threshold Conditions, Fundamental Rules and Principles for Businesses?
- What is the supervisory approach for new banks?
- What can you expect in the early days of being supervised and in subsequent years?
- Where can you find out more about regulatory fees and levies?
- What do you need to know to complete regulatory reporting?
- What are the key regulatory systems?
- How can you keep up to date with regulatory information?

What are the Threshold Conditions, Fundamental Rules and Principles for Businesses?

Authorisation is not the end of the journey to becoming an established bank. Through our supervisory approaches, we will look to assess in particular if your control environment remains appropriate for the size and complexity of the bank and if you are continuing to invest in the operating and control infrastructures to ensure they keep pace with your business ambitions. In addition, as an authorised firm you will need to ensure that you meet the PRA’s and the FCA’s Threshold Conditions at all times – please see Threshold Conditions (Appendix 6) for more detail.

In addition to the Threshold Conditions, there are:
- Eight PRA Fundamental Rules, which are high-level rules which collectively act as an expression of the PRA’s general objective of promoting the safety and soundness of regulated firms; and
- Eleven FCA Principles for Businesses which are a general statement of firms’ fundamental obligations under the regulatory systems.

Please see the Fundamental Rules and Principles for Businesses (Appendix 8) for more detail.

The PRA Rulebook and the FCA Handbook also set out more detailed requirements on authorised firms. There are also a number of EU regulations which directly impose requirements on banks in areas such as capital requirements.

It is vital that boards and senior management understand the PRA’s and the FCA’s Threshold Conditions, the Fundamental Rules, the Principles for Businesses, the more detailed rules in the PRA Rulebook, the FCA Handbook, the directly applicable EU regulations and that they establish within their firms a culture that supports adherence to the spirit and the letter of the requirements.
## What is the supervisory approach for new banks?

As a bank you will be supervised by the PRA for prudential matters and the FCA for conduct matters. The table below summarises each regulator’s approach to supervision.

<table>
<thead>
<tr>
<th>PRA</th>
<th>FCA</th>
</tr>
</thead>
<tbody>
<tr>
<td>The PRA’s supervisory approach relies significantly on judgement. The PRA supervises firms to judge whether they are safe and sound, and whether they meet, and are likely to continue to meet, the PRA’s Threshold Conditions. Its approach is forward looking and assesses firms not just against current risks, but also against those that could plausibly arise in the future. The PRA focuses on those issues and those firms that pose the greatest risk to the stability of the UK financial system. You can read more about the PRA’s approach to banking supervision on the Bank of England’s website.</td>
<td>The FCA’s supervisory approach is designed around its three operational objectives of protecting the consumer, promoting competition and enhancing the integrity of markets. Firms are categorised as either our fixed portfolio or flexible portfolio. Most newly authorised banks will move into the flexible portfolio. You can read more about the FCA’s approach to supervision of flexible portfolio firms here.</td>
</tr>
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</table>

## What can you expect in the early days of being supervised, and in subsequent years?

In practical terms, the approach to supervision also recognises that newly authorised banks often require more support in their early years.

<table>
<thead>
<tr>
<th>PRA and FCA</th>
<th></th>
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<tbody>
<tr>
<td>As a newly authorised bank you can expect the following:</td>
<td></td>
</tr>
<tr>
<td>- access to the New Bank Start-up Unit helpline;</td>
<td></td>
</tr>
<tr>
<td>- access to your supervisor at the PRA;</td>
<td></td>
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<tr>
<td>- access to the supervision hub at the FCA;</td>
<td></td>
</tr>
<tr>
<td>- regular capital and liquidity reviews, if appropriate;</td>
<td></td>
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<tr>
<td>- monthly regulatory update emails (requires free subscription);</td>
<td></td>
</tr>
<tr>
<td>- invitations to seminars targeted at new and prospective banks;</td>
<td></td>
</tr>
<tr>
<td>- invitations to seminars specifically targeted at banks’ senior management non-executive directors (NEDs); and</td>
<td></td>
</tr>
<tr>
<td>- invitations to events, alongside other firms, on key topics.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>PRA</th>
<th>FCA</th>
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</thead>
<tbody>
<tr>
<td>As a new bank there is a supervisory timetable which includes:</td>
<td>As a new bank within our flexible portfolio:</td>
</tr>
<tr>
<td>- Monthly calls with your supervisor to discuss progress in rolling out the business plan and an update on developments. You will be asked to provide materials to support these discussions e.g. Board and Board sub-committee papers/minutes,</td>
<td>- You will have an introductory meeting with your supervisors once you are fully operational. At this meeting we will also discuss the types of events which should warrant further contact with supervision going forward.</td>
</tr>
<tr>
<td></td>
<td>- You will have subsequent meeting(s) with supervision. The frequency of these</td>
</tr>
</tbody>
</table>
management information, audit papers, etc.

- Regular completion and submission of regulatory returns (varying frequency depending on the specific return):
  - A Mid-Point Review (approximately 6 months after launch) during which the supervisory team will consider with PRA senior management the progress being made by the new bank and suitability of the planned supervisory activity.
  - An on-site visit from the PRA which will aim to cover a number of topics in varying levels of detail.
  - A Periodic Summary Meeting (approximately 12 months after launch and informed by the supervisory work during the preceding year) that formally considers the risks posed by the new bank and sets the supervisory strategy for the coming period.
- Your day-to-day contact with the FCA will be via the New Bank Start-up Unit helpline.
- You will be subject to event-driven, reactive supervision and issues and products supervision.
- Overall though you should expect your day-to-day contact with the FCA to be less than with the PRA.

**PRA Periodic Summary Meeting**

The Periodic Summary Meeting (PSM) is an annual internal meeting held by the PRA to review your firm. It is a cornerstone of the PRA’s supervisory process and represents a chance for your supervisor to discuss your firm with senior PRA management. It will set the supervisory agenda and outline your capital requirements for the coming year.

There are three parts to a PSM:

1. fact finding on-site visits or desk-based reviews, which may focus on any or all of the following: capital, liquidity, governance, risk management and business model;
2. an internal PRA review; and
3. a formal letter outlining our thoughts and your obligations.

If appropriate, we will also contact your Home State Supervisor as part of the PSM.

**PRA capital and liquidity reviews**

The Capital Supervisory Review and Evaluation Process (C-SREP) and Liquidity Supervisory Review and Evaluation Process (L-SREP) can take the form of either visits from the PRA or a desk-based review. If we do visit your firm, the C-SREP and L-SREP visits will usually be carried out separately.

The PRA may want to meet with a number of senior managers and non-executive directors (NEDs) to discuss the firm’s capital and risk management polices as set out in the ICAAP, ILAAP and supporting
documents. The PRA will ask for these documents ahead of the on-site visit.

The PRA has committed to reviewing the capital requirements for new firms on an annual basis, typically for the first five years of operation. For liquidity requirements, we may review after one year before moving to biennial reviews.

More information on the C-SREP can be found in PRA Supervisory Statement 31/15 ‘The Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP)’.

More information on the L-SREP can be found in PRA Supervisory Statement 24/15 ‘The PRA’s approach to supervising liquidity and funding risks.’

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### FCA Introductory meeting and subsequent meetings

The introductory meeting is an opportunity for FCA Supervision to get to know your firm better, explain our expectations around your conduct framework and open channels of communication.

The FCA will require an outline of your business plan and strategy. In the meeting, we will jointly design a customised interaction plan based on the specific characteristics of your firm and our risk appetite.

As part of this interaction plan, there will be subsequent meeting(s) where you will update us on progress to date and discuss challenges so far.

The frequency of these meetings will predominately be based on your business type and risks to our objectives.

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### When should you contact the FCA?

At our introductory supervisory meeting we will discuss the types of events where you should contact us. **The list below is not exhaustive** but does include some examples of events (where they are material) where you should contact FCA Supervision:

**Retail Banking**
- changes to **business model** and/or **strategy**;
- failings of **IT infrastructure** which impact the customer;
- **financial crime** and **anti-money laundering** issues;
- notification of **consumer redress** and **remediation exercises**;
- **governance** and **senior management changes**; and
- **data breaches**.

**Wholesale Banking**
- changes to **business model** and/or **strategy**;
- failings of **IT infrastructure** which impact the customer;
- **governance** and **senior management changes**;
- **conflict of interest management** breaches; and
- material **financial crime** and **anti-money laundering** issues.
As your firm becomes established both regulators will move you to their usual supervisory processes for banks. The timing of this will be different for each firm and potentially different for each regulator and we will discuss this with you at the appropriate stage.

**Where can you find out more about regulatory fees and levies?**

As an authorised firm you will need to pay annual fees and levies. The amount you will be charged will depend on the type of regulated activities your firm carries out, the extent of your firm’s activities and how much it costs us to regulate these types of activities. You can find more about regulatory fees and levies on the FCA’s website.

**What do you need to know to complete regulatory reporting?**

As an authorised firm, you will be required to submit reports. The reports you will need to submit will be based on the regulated activities you undertake and the nature of your firm (i.e. if you are a UK headquartered bank, a subsidiary or a branch of an international bank). This will include providing the PRA with the information it needs to monitor your financial position and performance and the FCA with more conduct-focused information on sales, complaints etc.

If your firm has a return due for submission but has not conducted any regulated activities from the date of authorisation to the reporting end date, you will still be required to submit the return.

You are also obliged to submit your regulatory returns in a timely, accurate and efficient manner. If you fail to submit your regulatory return(s) by the due date(s), you will incur an administrative fee of £250.

You will submit many of these returns via our GABRIEL system (see below) where you can also view your reporting schedule. There may be other returns that are collected outside of GABRIEL but where applicable your supervisor will provide you with templates and any instructions.

**What are the key regulatory systems?**

**GABRIEL** – As an authorised firm, you will be obliged to submit regulatory returns. These returns must be submitted through our GABRIEL system, which is an online regulatory reporting system for the collection, validation and storage of regulatory data. You can register for GABRIEL here. More information is provided in the Welcome Pack that you receive when you are authorised.

Once you have done this, you will be able to view your firm’s reporting schedule which details the returns that you are required to submit over the next 12 months, and when they are required.

**Connect** – You will need to use Connect to submit applications for some regulatory transactions and, to keep your Standing Data up to date. Standing Data is basic information about your firm, which is required in order for the PRA and FCA to undertake their supervisory duties. This includes: registered name of the firm; trading name(s) of the firm; country of incorporation; registered office; principal place of business; website address; telephone number; the name and email address of the principal compliance contact; name and address of the firm’s auditor; and accounting reference date. You can register for Connect here.

**How can you keep up to date with regulatory information?**

There are several ways for you to keep up to date with changes to the regulatory landscape.

The PRA homepage on the Bank’s website includes the latest news and publications, and links to key initiatives. It also includes all PRA publications, including policy publications which banks can search by sector and type of publication. Likewise, the FCA website includes all FCA Consultation Papers and Policy Statements.
You should also:

- Look out for the PRA Regulatory Digest – a monthly newsletter for people interested in the UK financial services industry that highlights key regulatory news and publications delivered for the month. Readers are encouraged to continue to visit the Bank of England website throughout the month, 'subscribe to alerts' (free) and visit the calendar for upcoming news and publications.
- Register to receive the FCA Regulation round-up – a monthly email to all regulated firms updating you on the latest news. Readers can also keep up to date with the latest news and publications on the FCA’s website.
- Keep updated of European and international developments for the banking sector by referring to the websites for the European Banking Authority, Basel Committee on Banking Supervision, and Financial Stability Board.
- Seminars – these are held periodically for senior management, NEDs and advisors. It is a chance for firms to hear directly from staff at the regulators about key issues that are of interest to banks.
- Consider making contact with other organisations such as trade bodies that represent the banking industry, such as UK Finance and the Association of Foreign Banks.
Appendices

1. Frequently asked questions:  
   www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/new-bank/nbsufaqs

2. Who we are?  
   www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/new-bank/whoweare

3. Should I become a bank?  
   www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/new-bank/shouldibecomeabank

4. Alternatives to being a bank  
   www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/new-bank/alternativestobeingabank

5. International banks  

6. The PRA’s and FCA’s Threshold Conditions  
   www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/new-bank/thresholdconditionsfactsheet

7. Conduct Risk Assessment  

8. Fundamental Rules and Principles for Businesses  
   www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/new-bank/Fundamentalruleprinciples

9. How to start a bank  
   www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/new-bank/howtostartabank0316