



PRA Practitioner Panel – Annual Report 2017

In 2016 the PRA Practitioner Panel (Panel) continued to effectively represent the interest of practitioners by considering and providing appropriate scrutiny on significant PRA policy and regulatory developments which benefit from Panel input. This has been achieved through regular discussions with relevant PRA and Bank of England policy leads, senior management, and PRA Board members at Panel meetings.

The Panel's approach of early engagement, which was adopted in 2015, has allowed the Panel to increasingly add value to policies. The Panel is committed to continuing to provide challenge and advice to the PRA, ensuring that practitioners' views are appropriately considered.

Panel Membership – as at March 2017

British Bankers' Association
Francesca McDonagh, Head of Retail and Wealth Management, HSBC James Bardrick, UK Country Officer, Citibank Nathan Bostock, Chief Executive, Santander UK
Association of British Insurers
Richard Ward, Chairman, Brit Plc Tim Harris, Group Finance Director, Royal London
Building Societies Association
Ashraf Piranie, Finance and Operations Director West Bromwich Building Society - Deputy Chairman Mark Rennison, Group Finance Director, Nationwide Building Society
The Investment Association
Martin Gilbert, Chief Executive, Aberdeen Asset Management – Chairman
Association of Foreign Banks
Sun Yu, Chief Executive, Bank of China UK
Wealth Management Association
Andy Pomfret, Director, Wealth Management Association
Mainland UK Credit Unions
Robert Kelly, NHS Credit Union
Northern Irish Credit Unions
Brian McCrory, Director, Belfast Teachers Credit Unions
ICAEW/ICAS
Mark Rhys, Banking Partner, Deloitte

During 2016, Panel members Pam Walkden, Mike Rogers, Clare Bousfield and Gary von Lehmden stepped down. Francesca McDonagh of HSBC, Tim Harris of Royal London, and Sun Yu of Bank of China UK, took up terms over that same time. Mark Rhys of Deloitte also joined the Panel as an accounting specialist. A new Panel member is due to be nominated by the Association of British Insurers in due course.

In November 2016 a number of Panel members' initial terms expired. As outlined in the Panel's [Terms of Reference](#), members serve for a three years term with the opportunity of extending this for an additional term of up to three years. Martin Gilbert's term was extended by another three years, and he was reappointed as Panel chair. The terms of Mark Rennison, Andy Pomfret and Brian McCrory were each extended for one year, and the term of Ashraf Piranie was extended for two years. Robert Kelly of the NHS Credit Union replaced Peter Evans in representing the Mainland UK Credit Unions.



Panel engagement with the PRA

The Panel met six times during the reporting period¹. As in prior years, Panel members were provided with briefings from and had discussions with relevant PRA policy leads, with meetings attended by Executive Directors from the PRA and policy areas of the Bank, as well as the PRA CEO on some occasions. Key outcomes and insights from these meetings continued to be fed back to relevant decision makers and policy leads within the PRA and Bank of England, contributing to the policy making process.

The Panel Chairman and the Chief Executive continued to hold quarterly bi-lateral meetings to discuss the Panel's views and other relevant issues.

Items considered by the Panel and Impact on the PRA

The Panel continued to increase its impact on PRA policies. The following items are examples of where the Panel's views were sought and where significant added value to the policy process over the reporting period was provided.

Issue	Description
International Financial Reporting Standard (IFRS 9)	The Practitioner Panel was invited to give feedback on how the PRA was preparing for the implementation of IFRS 9. This feedback has proved constructive to helping the PRA's policy staff develop a better understanding of what firms see as the greatest potential risks arising from this implementation.
Senior Managers Regime	The Practitioner Panel continued to challenge our policy teams on the supervision and continued development of the regime. Over this past year, the Panel offered valuable insight into the impact of the Regime on firms' ability to recruit and retain key staff, and highlighted the potential, unintended consequences that could arise from its implementation.
Structural Reform	The practical advice of the Practitioner Panel continued to help shape the PRA's wider strategy for implementing changes related to structural reform, with a particular focus on how these changes should be communicated. This included dialogue with colleagues at the FCA in areas of relevance to both institutions.
Basel Developments	The PRA and Practitioner Panel had a thematic discussion about the ongoing multilateral discussions further to the Basel International Regulatory Framework. The Panel provided insight into how the wider industry perceives the Basel process, with a particular focus on the ongoing developments further to leverage ratios. The Panel was updated with relevant Basel updates when appropriate.
Increasing Competition in the Banking Sector	The Practitioner Panel was invited to give its views on what the Bank was doing to help reduce barriers to entry to the wider banking market, specifically the work of the New Bank Unit. The Panel gave cautious but supportive comments further to how the Unit was developing and posed challenging questions about how challenger banks might impact the overall banking sector.

Panel Forward Agenda

The Practitioner Panel is scheduled to meet six times in 2017, rather than the eight meetings scheduled in 2016, to ensure that there will be a suitable level of content discussed in each meeting.

In March 2017, the Panel appointed Ashraf Piranie to be the new Deputy Chair, replacing Brian McCrory.

The Forward Agenda will continue to be shaped by Panel members, the PRA CEO, and the Prudential Policy Directorate Senior Management Team. The focus of the agenda will continue to include items that are at an early stage of policy development. However, some relatively mature topics, such as Structural Reform and IFRS 9 implementation, are the basis of an ongoing dialogue, and are expected to return to the agenda as they continue to develop. The agenda will also include any emerging and urgent issues that would benefit from a Panel discussion, such as potential outcomes that arise from the ongoing Basel discussions, as determined by the Panel or at the request of the PRA.

¹ Scheduled meetings in July and October were cancelled.