



PRA Practitioner Panel – Annual Report 2017/18

In 2017/18 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 wider Bank of England policy leads, senior management, and Prudential Regulatory Committee (PRC) members at Panel meetings.

The Panel's established approach of early engagement is central to its ability to 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 2018

James Bardrick, UK Country Officer, Citibank – **UK Finance**

Nathan Bostock, Chief Executive, Santander UK – **UK Finance**

Mary Anne Daly, CEO, Cazenove UK – **PIMFA**

Martin Fisher, Regulatory and Legal Officer for Northern Ireland, ILCU - **NI Credit Unions**

Martin Gilbert, Chief Executive, Standard Life Aberdeen - **The Investment Association (Chair)**

Tim Harris, Deputy Group CEO and Group Finance Director, Royal London - **Association of British Insurers**

Robert Kelly, CEO, NHS Credit Union - **Mainland UK Credit Unions**

Francesca McDonagh, Group CEO, Bank of Ireland – **UK Finance**

Helen Pickford, Deputy UK CFO and Life CFO, Zurich - **Association of British Insurers**

Ashraf Piranie, Finance/Operations Director, West Brom BS - **Building Societies Association (Deputy Chair)**

Mark Rhys, Banking Partner, Deloitte - **ICAEW/ICAS**

Bill Smith, Managing Director of EMEA for BMO Financial Group - **Association of Foreign Banks**

Victoria Stubbs, Chief Risk Officer, Cambridge Building Society - **Building Societies Association**

Richard Ward, Chair, Brit Syndicates Ltd - **Association of British Insurers**

During 2017, Panel member Sun Yu stepped down as representative of the Association of Foreign Banks, and Bill Smith joined as his replacement. The terms of Mark Rennison, Andy Pomfret and Brian McCrory came to an end. They were replaced by Victoria Stubbs, Mary Anne Daly, and Martin Fisher. Helen Pickford joined the Panel as the Association of British Insurers' third representative. These changes have increased the diversity of the Panel membership, including in terms of the types of firms represented.

Over the past year, 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. The terms of James Bardrick and Nathan Bostock expired in November 2017 and were extended for a further three years and two years, respectively. Richard Ward's first term expired in January 2018 and was renewed for a further three years.

Panel engagement with the PRA

The Panel met six times during the reporting period. As in prior years, Panel members were provided with briefings from and had discussions with relevant PRA policy leads. Meetings were 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 PRA CEO continued to hold bilateral meetings to discuss the Panel's views and other relevant issues.



Items considered by the Panel and Impact on the PRA

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 continued to give feedback on the implementation of IFRS 9. This covered engagement on possible transitional arrangements as well as different challenges for 'day one' and longer term implementation.
Senior Managers & Certification Regime (SM&CR)	The Practitioner Panel provided practical insights into the early effects of the SM&CR. These included noting that the policy had been successful in increasing the clarity of board responsibilities, but had presented some challenges in recruiting suitable non-executive directors.
Structural Reform	The Practitioner Panel continued to receive progress reports during the year. Members provided practical advice in support of the implementation of the changes required under Structural Reform, with a particular focus on ensuring effective communication regarding the Sort Code migration process.
Payment Services Directive II and the Open Banking Standard	Building on previous discussions around increasing competition in the banking sector, the Practitioner Panel was invited to give its views on the potential impact of the new Payment Services Directive and the Open Banking Standard. The Panel highlighted the potential for increased operational risk that could result from their implementation.
Cyber Resilience	The Practitioner Panel suggested potential steps the Bank could take to help firms better understand the risks to operational resilience arising from cyber-attacks.
EU Withdrawal Preparations	The PRA and Practitioner Panel held several thematic discussions on the Bank of England's preparatory work ahead of the UK's exit from the European Union.

Panel Forward Agenda

The Practitioner Panel is scheduled to meet six times in 2018/9. 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 IFRS 9 implementation, EU withdrawal preparations, and the Senior Managers Regime 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.

A new Insurance sub-committee of the Practitioner Panel is expected to be launched during the summer of 2018. This will provide a dedicated space for discussion focussed on insurance issues. There will be regular information sharing between the main Panel and the sub-committee.