



## PRA Regulatory Digest

1-30 April 2015

This digest is for people interested in the UK financial services industry and 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](#)' and visit the [calendar](#) for upcoming news and publications.

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### Top news and publications

- Depositor and dormant account protection – PS6/15
- Policyholder protection – PS5/15
- The PRA Rulebook: Part 2 - PS7/15

### News

There are no news items this month.

### Banking publications and updates

30 April 2015

[Credit union quarterly statistics – December 2014](#)

The credit union quarterly statistics are statistics aggregated from the quarterly returns submitted by authorised credit unions in the United Kingdom. The statistics provide a breakdown of the balance sheet, income statement, membership and loans.

[Supervising international banks: the Branch Return – PS8/15](#)

This policy statement is addressed to all PRA-supervised firms operating in the United Kingdom which are not UK-headquartered firms, as well as to any firm looking to operate in the United Kingdom in the future. It follows up on the proposal to introduce a twice-yearly Branch Return, which would provide information about the UK activities of these firms. It also provides an update on the development of the Branch Return and a finalised rule.

23 April 2015

[Andrew Bailey letter: Response to the letter from Allen and Overy LLP regarding Lloyds Banking Group Enhanced Capital Notes](#)

17 April 2015

[Letter from Allen and Overy LLP regarding Lloyds Banking Group Enhanced Capital Notes](#)

7 April 2015

[Basis of preparation of regulatory returns for first-time adopters of FRS 102 or IFRS during the transition period for FRS 102 – CRD IV update](#)

For further information on CRD IV visit the [CRD IV updates webpage](#).

### Insurance publications and updates

22 April 2015

[Solvency II: applying EIOPA's Set 1 Guidelines to PRA-authorised firms - SS22/15](#)

The European Insurance and Occupational Pensions Authority (EIOPA) published the Solvency II Set 1 Guidelines on 2 February 2015. Subsequently, on 19 February 2015, the PRA published Consultation Paper 5/15 - Solvency II: applying EIOPA's Set 1 Guidelines to PRA-authorised firms. The consultation paper proposed the PRA's intention to comply with all the Set 1 Guidelines and included a draft supervisory statement which set out the PRA's expectations of firms in relation to the EIOPA Set 1 Guidelines.

10 April 2015

[Solvency II: consistency of UK generally accepted accounting principles with the Solvency II Directive - CP16/15](#)

This consultation paper seeks feedback on a draft supervisory statement which sets out the PRA's expectations of firms which are considering applying the derogation within Article 9 (4) of the Commission Delegated Regulation (EU) 2015/35 ('the Solvency II Regulation'). This derogation permits a firm to value some assets and liabilities using local generally accepted accounting principles (GAAP) if they fulfil some very specific criteria listed in that Article. The consultation closes on 10 July 2015.

[PRA released a briefing session on the role of non-executive directors in an internal model firm in Solvency II](#) - a recording of the event and the delegate pack are available on the [Solvency II news](#)

[page.](#)

1 April 2015

[Policyholder protection – PS5/15](#)

This policy statement provides feedback to responses to CP21/14 Policyholder protection, CP20/14 Depositor protection and CP4/15 Depositor, dormant account and policyholder protection - amendments. It sets out the proposed rules for the PRA Rulebook, which are intended to align the existing insurance compensation rules more closely with the PRA's statutory objectives, and will contribute to the future operational effectiveness of the Financial Services Compensation Scheme (FSCS) in providing continuity of cover, payment of benefits falling due and compensation in the event of the failure of an insurance firm. The policyholder protection rules and statement of policy take effect on and from 3 July 2015.

For further information on Solvency II visit the [Solvency II news webpage](#).

## Cross-cutting publications

30 April 2015

[The PRA Rulebook: Part 3 – CP17/15](#)

This consultation paper sets out proposals to redraft certain modules of PRA Handbook. It is the third in a planned series of consultations aimed at reshaping Handbook material inherited from the Financial Services Authority (FSA) to create a Rulebook, containing only PRA rules. The PRA Rulebook will appear in a new online website in 2015 and, until then, will appear on the existing Handbook site in PDF form. Detailed proposals for the presentation of the online Rulebook were outlined in Chapter 10 of CP8/13. The proposals in this CP are relevant to all PRA firms. The consultation closes on Tuesday 30 June 2015.

2 April 2015

[The PRA Rulebook: Part 2 - PS7/15](#)

This policy statement publishes final rules, supervisory statements and a statement of policy following on from CP25/14 The PRA Rulebook: Part 2. It is relevant to all PRA-regulated firms. It is the second in a series of publications over two years that will redraft the Handbook inherited from the Financial Services Authority to create the PRA Rulebook.

1 April 2015

[Depositor and dormant account protection - further amendments - CP15/15](#)

This consultation paper sets out proposals for new rules in the PRA Rulebook that arise as a result of rules proposed in CP20/14 Depositor protection and CP4/15 Depositor, dormant account and policyholder protection - amendments published in October 2014 and January 2015 respectively. The consultation closed on Friday 1 May 2015.

[Depositor and dormant account protection – PS6/15](#)

This policy statement provides feedback to responses to CP20/14 Depositor protection and CP4/15 Depositor, dormant account and policyholder protection - amendments. It sets out final rules intended to advance the PRA's general objective of promoting the safety and soundness of firms by reducing the adverse effects the failure of firms could be expected to have on the stability of the UK financial system.

## Also in the month

23 April 2015

[Trends in Lending - April 2015](#)

8 April 2015

[Bank Liabilities Survey 2015 Q1](#)

[Housing Equity Withdrawal \(HEW\) - 2014 Q4](#)

Readers may also find it useful to refer to other [Bank publications](#) and [speeches by Bank officials](#).

## European and international developments

Readers are also referred to the websites for the [European Banking Authority](#), [European Insurance and Occupational Pensions Authority](#), [Basel Committee on Banking Supervision](#), [International Association of Insurance Supervisors](#), and [Financial Stability Board](#).

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