



PRA Regulatory Digest

1-31 August 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

- PRA publishes a package of policy on strengthening accountability for insurers and proposals for the prudential regime for non-Solvency II insurance firms.
- PRA censures Co-operative Bank for serious risk management and transparency failings.
- Strengthening individual accountability in banking: UK branches of non-EEA banks – PS20/15.

News

- 13 August 2015 [News Release - Strengthening accountability: insurers and UK branches of non-EEA banks](#)
The Prudential Regulation Authority (PRA) set out how it will hold senior managers in insurance companies and UK branches of non-EEA banks accountable. This brings to fruition a package of accountability reforms that will allow all PRA-regulated firms to prepare for the introduction of the Senior Managers Regime and Senior Insurance Managers Regime.
- 11 August 2015 [News Release - PRA censures Co-operative Bank for serious risk management and transparency failings](#)
Following an enforcement investigation into the Co-operative Bank Plc (Co-op Bank) the PRA, supported by a team of investigators at the Financial Conduct Authority (FCA), has found that there were serious and wide-ranging failings in Co-op Bank's control and risk management framework during the period from 22 July 2009 to 31 December 2013. The PRA has also found that the firm failed to deal with its regulators in an open and co-operative manner in that period.

Banking publications and updates

- 28 August 2015 [Credit union quarterly statistics - March 2015](#)
[CRD IV updates on:](#)
(i) Interim LCR Reporting from 1 October 2015
(ii) Interim intraday liquidity reporting – first submissions by 15 October 2015
- 25 August 2015 [CRD IV updates on:](#)
(i) GABRIEL notifications for the reporting of additional monitoring metrics for liquidity
(ii) Reporting of additional monitoring metrics for liquidity
- 13 August 2015 [Strengthening individual accountability in banking: UK branches of non-EEA banks – PS20/15](#)
This policy statement provides feedback on CP9/15 Strengthening accountability in banking: UK branches of foreign banks, and includes final and near-final rules on the application of the Senior Managers Regime (SMR), Certification Regime and Conduct Rules to UK branches of non-EEA banks and PRA-designated investment firms (non-EEA branches).
- 3 August 2015 [Assessing capital adequacy under Pillar 2 - PS17/15 UPDATE](#)
PS17/15 was updated to align references to the updates made in Supervisory Statement 31/15 'The Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP)' to incorporate a new chapter on reverse stress testing. This update does not change the PRA's policy as set out in the original statement, published on 29 July 2015.
For further information on CRD IV visit the [CRD IV updates webpage](#).

Insurance publications and updates

- 28 August 2015 [Solvency II: applying EIOPA Set 2, System of Governance and ORSA Guidelines - CP30/15](#)
This consultation paper seeks feedback on a draft supervisory statement that sets out the PRA's expectations of firms and its general approach to the following European Insurance and Occupational Pensions Authority (EIOPA) Guidelines: Set 2 of the Solvency II Implementing Technical Standards (ITS) and Guidelines ('the Guidelines') published on 6 July 2015; on the system of governance published on 3 February 2015; and on the own risk and solvency assessment (ORSA) published on 3 February 2015. This consultation closes on 30 September 2015.

[Solvency II: third-country insurance and pure reinsurance branches - CP31/15](#)

This consultation paper consults on revisions to Supervisory Statement 10/15 'Solvency II: third-country branches', published in March 2015, concerning the PRA's approach to third-country insurance and pure reinsurance branches under the Solvency II Directive. This consultation closes on 30 September 2015.

[Solvency II: consistency of UK generally accepted accounting principles with the Solvency II Directive – SS38/15](#)

This supervisory statement is addressed to all insurance firms within the scope of Solvency II reporting under UK generally accepted accounting principles (GAAP) rather than using international accounting standards (IFRS).

[Sam Woods letter on the Senior Insurance Managers Regime](#)

17 August 2015

[Solvency II: internal model reporting codes and components - SS37/15](#)

This supervisory statement sets out how the PRA expects firms to submit information using product reporting codes when applying to use an internal model or partial internal model.

[Solvency II: life insurance product reporting codes - SS36/15](#)

This supervisory statement sets out the list of codes which the PRA expects firms to use when reporting information on life business or annuities stemming from non-life business at product level.

14 August 2015

[Solvency II: update on intra-group reinsurance of matching adjustment business](#)

13 August 2015

PRA published package of policy on strengthening accountability for insurers and proposals for the prudential regime for non-Solvency II insurance firms.

- [The Senior Insurance Managers Regime: a streamlined approach for non-Solvency II firms – PS21/15](#)
- [Strengthening individual accountability in insurance: responses to CP26/14, CP7/15 and CP13/15 – PS22/15](#)
- [Senior Insurance Managers Regime: implementation proposals for non-Solvency II insurance firms – CP26/15](#)
- [The prudential regime for non-Solvency II insurance firms and consequential amendments – CP27/15](#)

10 August 2015

[Solvency II: reporting and public disclosure - options provided to supervisory authorities – CP25/15](#)

This consultation paper seeks feedback on a draft supervisory statement that sets out the PRA's expectations of firms where it has an option to specify a different approach to that published in the Implementing Technical Standards (ITS) for the Solvency II reporting templates and the Solvency II public disclosure templates. This consultation closes on 21 September 2015.

[Andrew Bulley and Chris Moulder letter - Cyber Resilience Questionnaire for insurers](#)

[Solvency II: update on quarterly reporting exemption](#)

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

Cross-cutting publications

29 August 2015

PRA launched new Rulebook website: www.prarulebook.co.uk

28 August 2015

[PRA Rulebook: Administration Instrument \(No. \[2\]\) 2015 – CP32/15](#)

The corrections to PRA Rulebook provisions are not substantive and are not intended to change PRA policy. This consultation closes on 11 September 2015.

14 August 2015

[Occasional Consultation Paper - CP29/15](#)

This CP proposes miscellaneous and minor amendments to PRA rules and supervisory statements. Responses on chapter 1 are requested by 14 September 2015. Responses on all other chapters are requested by 14 November 2015.

[The PRA Rulebook: Part 4 - CP28/15](#)

This consultation paper sets out proposals to redraft certain modules of the PRA Handbook. It is the fourth in a planned series of consultations aimed at reshaping Handbook material inherited from the Financial Services Authority to create a Rulebook, containing only PRA rules. This consultation closes on 13 November 2015.

Also in the month

14 August 2015

[Staff Working Paper No. 543: Interest rates, debt and intertemporal allocation: evidence from notched mortgage contracts in the United Kingdom](#)

6 August 2015

[Inflation Report](#)

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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