



PRA Regulatory Digest

1-30 June 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

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- [Reform of the legacy Credit Unions sourcebook - CP22/15](#)
- [Strengthening the alignment of risk and reward: new remuneration rules – PS12/15](#)
- [Building real markets for the good of the people - speech by Mark Carney](#)

News

- 24 June [PRA announces new framework to reflect the wider role credit unions now play in financial services](#)
The PRA published proposals to reform the way that credit unions are regulated. The proposed rules reflect the broader range of financial services now offered by credit unions.
- 23 June [PRA and Financial Conduct Authority announce new rules on remuneration](#)
The PRA and Financial Conduct Authority (FCA) published new remuneration rules which include changes to deferral and clawback of variable remuneration (eg bonuses). The new framework aims to further align risk and individual reward in the banking sector, to discourage irresponsible risk taking and short-termism and to encourage more effective risk management.
- 10 June [Building real markets for the good of the people - speech by Mark Carney](#)
Speech given at the Lord Mayor's Banquet for Bankers and Merchants of the City of London at the Mansion House in, London.
[News Release - Fair and Effective Markets Review Releases Final Report](#)
The Fair and Effective Markets Review published its Final Report, which set out 21 recommendations to help restore trust in the wholesale Fixed Income, Currency and Commodity (FICC) markets.

Banking publications and updates

- 29 June [CRD IV - update on the EBA Guidelines on materiality, proprietary and confidentiality on disclosure frequency](#)
The PRA confirmed that firms are required to comply with EBA Guidelines on materiality, proprietary and confidentiality on disclosure frequency from 15 October 2015.
- 24 June [Reform of the legacy Credit Unions sourcebook - CP22/15](#)
This joint PRA and FCA consultation sets out proposals to reform the legacy Credit Unions sourcebook (CREDS), one of the modules of the Handbook inherited by the two regulators from the Financial Services Authority (FSA). The consultation closes on 30 September 2015.
- 23 June [Strengthening the alignment of risk and reward: new remuneration rules – PS12/15](#)
This policy statement includes feedback, final rules, and guidance in relation to proposals under Consultation Paper 15/14 'Strengthening the alignment of risk and reward: new remuneration rules' published jointly by the PRA and the FCA.
- 8 June [CRD IV: Liquidity - PS11/15](#)
This policy statement sets out the PRA's final rules and supervisory statement (SS24/15), and provides feedback on responses to the proposals in CP27/14 to accommodate the European Commission's Delegated Act with regard to the liquidity coverage requirement (LCR) for credit institutions.
[Quarterly Bulletin 2015 Q2 article: Banking sector interconnectedness: what is it, how can we measure it and why does it matter?](#)

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

Insurance publications and updates

- 15 June [Solvency II: ORSA and the ultimate time horizon — non-life firms - SS26/15](#)
This supervisory statement sets out the PRA's expectations of how non-life firms should identify and manage all risks to which their business could be exposed over the long and short term.
[Solvency II: regulatory reporting, internal model outputs - SS25/15](#)
This supervisory statement sets out the PRA's expectations of firms, and provides further clarity on the information to be reported by firms using an internal model to calculate the solvency capital requirement (SCR).
[Sam Woods letter: Solvency II ORSA feedback](#)
- 12 June [Solvency II: Balance sheet feedback](#)
- 8 June [Quarterly Bulletin 2015 Q2 article: The prudential regulation of insurers under Solvency II](#)
- 1 June [Solvency II: internal model reporting codes and components and life product codes – CP20/15](#)
This consultation paper (CP) seeks views on two draft supervisory statements: internal model reporting codes and components; and life product codes. The CP is of interest to all UK insurance firms and groups within the scope of Solvency II and to the Society of Lloyd's. The consultation closes on Friday 10 July.
[Solvency II: supervisory approval for the volatility adjustment – SS23/15](#)
This supervisory statement is addressed to UK Solvency II firms and to the Society of Lloyd's. It sets out the PRA's expectations of firms applying for permission to apply a volatility adjustment (VA).
[Sam Woods letter: Solvency II: matching adjustment update](#)

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

Cross-cutting publications

- 30 June [Regulated fees and levies: rates for 2015/2016 – PS13/15](#)
In March 2015 the PRA consulted on the regulatory fees and levies for the fee year 2015/16 to support the PRA's strategic priorities and business aims. This policy statement summarises the feedback received to the consultation (CP10/15) and provides the PRA's response to this feedback.
- 15 June [Annual Report and Accounts - 2015](#)
The PRA Annual Report and Accounts 2015 is made by the PRA under the Financial Services and Markets Act 2000 (FSMA). It is made to HM Treasury and covers the year ended 28 February 2015 and includes: a review of 2014-15; the PRA strategy; the Business Plan for 2015-16; and the Directors' Report.
- 2 June [Depositor and policyholder protection – technical amendments - CP21/15](#)
This consultation paper sets out proposed changes to the Depositor Protection Part in the PRA Rulebook and to the FEES transitional provisions and schedules in the PRA Handbook.

Also in the month

- 19 June [Bank Underground blog: Driverless Cars: Insurers cannot be asleep at the wheel](#)
- 18 June [Quarterly Bulletin 2015 Q2](#)
- 17 June [Simple, transparent and comparable securitisation - speech by David Rule](#)
- 2 June [Reflecting on Solvency II: continuity and change - speech by Andrew Bulley](#)

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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