



PRA Regulatory Digest

1-31 May 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

- The implementation of ring-fencing: legal structure, governance and the continuity of services and facilities – PS10/15
- Andrew Bailey speech on the state of the building society and the PRA's approach to governance
- Corporate governance: Board responsibilities – CP18/15
- Depositor and dormant account protection – PS9/15

News

22 May [Statement by the Bank of England](#)

In May, information related to planned confidential Bank work on the potential implications of a renegotiation and national referendum on the UK's membership of the European Union made its way into the public domain, due to an internal email sent inadvertently to an external party...It is not sensible to talk about this work publicly, in advance. But as with work done prior to the Scottish referendum, we will disclose the details of such work at the appropriate time.

21 May [Andrew Bailey speech – 'The state of the building society sector and the PRA's approach to governance'](#)
Given at the Building Societies Association Annual Conference.

15 May [Andrew Bailey speech – 'Financial Markets: identifying risks and appropriate responses'](#)
Given at Hughes Hall, Cambridge University.

Banking publications and updates

27 May [The implementation of ring-fencing: legal structure, governance and the continuity of services and facilities – PS10/15](#)

This policy statement provides feedback on the responses received to Consultation Paper 19/14 published in October 2014, and the amendments to the draft rules and supervisory statements included in CP19/14. The policy statement will be of interest to banks which will be required to ring-fence their core activities. This will include banking groups with core deposits greater than £25 billion. It will also be of interest to financial and other institutions and customers who have dealings with ring-fenced bodies.

26 May [Contractual stays in financial contracts governed by third-country law – CP19/15](#)

This consultation paper proposes a new rule for the PRA Rulebook requiring the contractual adoption of UK resolution stays in certain financial contracts governed by the law of a jurisdiction outside the European Economic Area (EEA) (a 'third country'). It is relevant to UK banks and building societies, PRA-designated investment firms and their qualifying parent undertakings, which for this purpose comprise financial holding companies and mixed financial holding companies; as well as credit institutions, investment firms, and financial institutions that are subsidiaries of these firms.

20 May [Depositor and dormant account protection – further amendments - PS9/15](#)

This policy statement provides feedback to responses to CP15/15 'Depositor and dormant account protection – further amendments'. It sets out final rules intended to reduce the adverse effects the failure of firms could be expected to have on the stability of the UK financial system and enhance depositor confidence and therefore advance the PRA's general objective of promoting the safety and soundness of firms.

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

Insurance publications and updates

22 May [Solvency II: Insurance Directors' update letter](#)

21 May [Bank of England Electronic Data Submission \(BEEDS\) portal](#)

On 21 May 2015, the PRA began onboarding firms in scope to submit regulatory returns in 2015, to the "Bank of England Electronic Data Submission" (BEEDS) portal. This portal will be used to submit the regulatory returns expected during the preparatory phase and Solvency II.

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

Cross-cutting publications

21 May [Corporate governance: Board responsibilities - CP18/15](#)

This consultation paper seeks views on a draft supervisory statement which draws on the PRA's regulatory experience to identify some key issues for boards to consider, and to which the PRA pays close attention in the conduct of its supervision. The CP underscores the collective responsibilities shared by board members, and is relevant to all PRA-regulated firms.

For further information on accountability visit the [Strengthening accountability webpage](#)

Also in the month

26 May [Stress testing](#)

The Bank published its traded risk and structured finance scenario for the 2015 stress test, along with guidance on the traded risk methodology for participating banks and building societies.

22 May [Bank of England Consultation Paper: The Bank of England's power to direct institutions to address impediments to resolvability](#)

The Bank of England, as the UK resolution authority, launched a three-month consultation on its proposed approach to exercising its statutory power to direct institutions to address impediments to their resolvability. The purpose of the consultation paper is to describe the context of this new power, which was introduced into the UK special resolution regime following transposition of the Bank Recovery and Resolution Directive (2014/59/EU), and to consult on a proposed Statement of Policy regarding that power, as required by section 3B (9) of the Banking Act 2009.

The CP applies to banks, building societies and certain investment firms, parent companies of such institutions that are financial holding companies or mixed financial holding companies, and PRA or FCA-authorized institutions that are subsidiaries of such institutions or parent-companies.

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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