



## PRA Regulatory Digest

1-31 January 2016

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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- [Andrew Bailey appointed CEO of the Financial Conduct Authority](#)
- [New Bank Start-up Unit launched by the financial regulators](#)

### News

1 February 2016	<a href="#">Reminder: Grandfathering deadline 8 February 2016 – 1 week to go</a> With 1 week to go until the grandfathering deadline of 8 February 2016, firms are reminded to submit their Form K grandfathering notifications. The PRA will start contacting firms w/c 1 February to check on progress.
29 January 2016	<a href="#">The Financial Policy Committee's Framework for the Systemic Risk Buffer (SRB)</a> As part of the legislative package implementing the recommendations of the Independent Commission on Banking in the UK, the Financial Policy Committee (FPC) is required to produce a framework for a systemic risk buffer (SRB) for ring-fenced banks and large building societies. The FPC is consulting on its proposed framework for the SRB that will be applied to individual institutions by the PRA and will be introduced, like the ring-fencing rules, from 2019.
28 January 2016	<a href="#">FCA and PRA investigations into HBOS Senior Managers</a> The Financial Conduct Authority (FCA) and the PRA have decided to start investigations into certain former HBOS senior managers.
26 January 2016	<a href="#">Andrew Bailey appointed CEO of the Financial Conduct Authority</a> Andrew Bailey, Deputy Governor, Prudential Regulation at the Bank of England and Chief Executive of the PRA, has been appointed as the new CEO of the FCA and will leave the Bank after 30 years of service.
20 January 2016	<a href="#">New Bank Start-up Unit launched by the financial regulators</a> On 20 January, the PRA and FCA launched the New Bank Start-up Unit. The Unit is a joint initiative from the UK's financial regulators giving information and support to newly authorised banks and those thinking of becoming a new bank in the United Kingdom.
15 January 2016	<a href="#">PRA takes enforcement action against former Co-op Bank individuals</a> On 15 January, the PRA prohibited Barry Tootell, the former CEO of the Co-op Bank and Keith Alderson, the former Managing Director of the Co-op Bank's Corporate and Business Banking Division, from holding a significant influence function in a PRA-authorized firm, for breaches related to the running of the Co-op Bank.
13 January 2016	<a href="#">Bank of England proposes tougher rules on bonus buy-outs</a> On 13 January, the Bank of England proposed to strengthen the remuneration requirements on buy-outs of variable remuneration. These proposals represent an important addition to the current remuneration rules which seek to ensure greater alignment between risk and reward, discourage excessive risk-taking and short-termism and encourage more effective risk management.

### Banking publications and updates

29 January 2016	<a href="#">Pillar 2: Update to reporting data items and instructions – PS3/16</a> This Policy Statement follows Consultation Paper 45/15 'Pillar 2: Update to reporting data items and instructions' and sets out changes to the Pillar 2 data items (FSA071 to FSA082) and reporting instructions. It is relevant to banks, building societies and PRA-designated firms. It includes amendments to the Reporting Pillar 2 Part of the PRA Rulebook and an updated version of Supervisory Statement 32/15. The amended rules will come into force on Friday 5 February 2016.
27 January 2016	<a href="#">Post crisis reforms: the lessons of balance sheets - speech by Andrew Bailey</a>
13 January 2016	<a href="#">Buy-outs of variable remuneration – CP2/16</a> In this Consultation Paper the PRA sets out its proposal for the introduction of a new rule on buy-outs of variable remuneration, relating to the practice whereby firms recruiting staff 'buy-out' deferred bonus awards that have been cancelled by their previous employer. The consultation closes on

Wednesday 13 April 2016.

6 January 2016

[Strengthening individual accountability in banking: amendments to notification rules and forms – CP1/16](#)

In this Consultation Paper, the PRA proposes a series of minor, interim amendments to Forms C, D and L and the Conduct Rules: Notifications Chapter of the Notifications Part in the PRA Rulebook. This consultation is aimed primarily at banks, building societies, credit unions and PRA-designated investment firms however, the consultation may also be of interest to insurance firms. [Supervisory Statement 28/15](#) 'Strengthening Accountability in Banking' was updated alongside this. This consultation closes on Monday 8 February 2016.

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

### Insurance publications and updates

28 January 2016

[Invitations to a technical briefing on Solvency II XBRL on Thursday 3 March 2016](#)

27 January 2016

[Embarking on a new voyage? Solvency II in context - speech by Sam Woods](#)

15 January 2016

[Letter from Sam Woods 'Reflections on the 2015 Solvency II internal model approval process'](#)

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

### Cross-cutting publications

29 January 2016

[Amendments to the Pre-Issuance Notification \(PIN\) regime - PS2/16](#)

This Policy Statement provides feedback to responses to Occasional Consultation Paper 29/15 on amendments to the Pre-Issuance Notification (PIN) regime applicable to Capital Requirements Regulations (CRR) firms (which includes banks, building societies and PRA UK designated investment firms) and insurers (which includes Solvency II Firms and non-Directive firms).

21 January 2016

[Engagement between external auditors and supervisors and commencing the PRA's disciplinary powers over external auditors and actuaries - PS1/16](#)

The PRA published a package of policy which included: Policy Statement 1/16 'Engagement between external auditors and supervisors and commencing the PRA's disciplinary powers over external auditors and actuaries' which sets out feedback and links to final rules; [Supervisory Statement 1/16](#) 'Written reports by external auditors to the PRA'; and an updated [Statement of Policy](#) 'The Prudential Regulation Authority's approach to enforcement: statutory statements on policy and procedure' which includes the new and amended statements of policy.

18 January 2016

[Financial Services Compensation Scheme – Management Expenses Levy Limit 2016/17 – CP4/16](#)

This Consultation Paper sets out the proposed management expenses levy limit (MELL) for the Financial Services Compensation Scheme (FSCS) for 2016/17. The MELL consulted on for 2016/17 is £72.7 million. The proposed levy limit would apply from Friday 1 April 2016, the start of the FSCS's financial year, to Friday 31 March 2017. The consultation closes on Monday 15 February 2016.

[Occasional consultation paper – CP3/16](#)

This Consultation Paper sets out proposals to delete rules and guidance from the PRA Handbook which have been replaced, or are in the process of being replaced, by rules in the PRA Rulebook or supervisory statements. The proposals do not represent a change in PRA policy. The proposals are relevant to all PRA firms. The consultation closes on Monday 7 March 2016.

### Also in the month

29 January 2016

[Credit union quarterly statistics - September 2015](#)

19 January 2016

[The turn of the year - speech by Mark Carney](#)

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](#).

### Contact us

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