



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

- Uncertainty, the economy and policy – speech by Mark Carney
- PRA publishes Annual Report and Accounts 2016
- PRA publishes Annual Competition Report 2016
- Bank of England issues a progress update on the Bank's blueprint for a new RTGS system

News

- 30 June 2016 [Uncertainty, the economy and policy – speech by Mark Carney](#)
- 24 June 2016 [EU referendum: your questions answered](#)
[Statement from the Governor of the Bank of England following the EU referendum result](#)
[Statement from the Bank of England](#)
- 17 June 2016 [Bank of England issues a progress update on the Bank's blueprint for a new RTGS system](#)
[Enabling the FinTech transformation: Revolution, Restoration, or Reformation? - speech by Mark Carney](#)

Banking publications and updates

- 30 June 2016 [Remuneration Rules update](#)
The PRA noted that firms within the scope of the Remuneration Part of the PRA Rulebook are expected to ensure that their remuneration policies, practices and procedures are clear and documented. To record those policies, practices and procedures, and assess their compliance with the requirements, firms should complete a Remuneration Policy Statement (RPS) using the templates provided on this page. The RPS templates and tables have been updated and firms should refer to the template relevant to its proportionality level. A summary of the changes are available on the [Remuneration Rules webpage](#). For any queries relating to the RPS templates and tables firms should contact their PRA supervisor or the Firm Enquiries Team (details available in [Contact Us](#)).
- 30 June 2016 [FSA047 and FSA048 returns](#)
As set out in Consultation Paper (CP) 27/14 'CRD IV: Liquidity' and as stated in Policy Statement (PS) 11/15 'CRD IV: Liquidity', the PRA has reviewed its position on the requirement for firms to report FSA047 and FSA048 returns and has decided to maintain these until further notice. The PRA will review its position in due course. The obligation on UK branches of third country firms to report FSA047 and FSA048 will be addressed separately at a later date.
- 29 June 2016 [The contractual recognition of bail-in: amendments to Prudential Regulation Authority rules - PS17/16](#)
This PRA PS provides feedback on responses to CP8/16 'The contractual recognition of bail-in: amendments to Prudential Regulation Authority rules'. It sets out the final rules and [Supervisory Statement \(SS\) 7/16 'The contractual recognition of bail-in: impracticability'](#) intended to implement Article 55 of the Bank Recovery and Resolution Directive. The rules will come into force on 1 August 2016, rather than 1 July as anticipated in CP8/16. The final rule and SS7/16 address the broad scope of the contractual recognition requirement and acknowledge that the inclusion of contractual recognition language is in some instances impracticable. The amendments to the PRA Rulebook follow a modification by consent issued by the PRA in November 2015. The modification provided an interim solution while the consultation was carried out. The modification originally disapplied the contractual recognition requirement for the 1 January 2016 to 30 June 2016 period for 'phase 2' liabilities where compliance with the requirement was impracticable. The PRA has extended the modification by one month until 31 July 2016 – firms will be contacted to confirm whether they wish to have the extension applied. The modification by consent is available on the [Waivers by consent page](#).
For further information on CRD IV visit the [CRD IV updates webpage](#).
For further information on Structural Reform visit the [Structural Reform webpage](#).
For new banks, please see the [New Bank Start-up Unit webpage](#).

Insurance publications and updates

- 30 June 2016 [Solvency II news: PRA update for the general insurance sector](#)
- The PRA published a presentation given to the London Market Actuaries Group on 26 May 2016, which may be of interest to general insurance firms. The slides collate information published by the PRA in a letter to firms on 4 December 2015 and CP19/16 'Solvency II: Changes to internal models used by UK insurance firms'. The presentation also contains updates from the PRA on other relevant areas for general insurers.
- 30 June 2016 [Reporting requirements for non-Solvency II insurance firms – PS19/16](#)
- This PRA PS provides feedback to responses to CP18/16 'Reporting requirements for non-Solvency II insurance firms'. It sets out final rules for the new reporting requirements that apply to insurance firms that are outside the scope of Solvency II. Collectively, these firms are referred to as non-Directive firms. The appendices of this PS contain the final rules and links to the updated forms. These are also available on the [dedicated webpage for non-Directive firms](#). The PRA SS 'Reporting instructions for non-Solvency II firms' will be issued in due course.
- For further information on Solvency II visit the [Solvency II updates webpage](#).
For further information for non-Directive firms visit the [non-Directive firms webpage](#).

Cross-cutting publications and updates

- 30 June 2016 [Regulated fees and levies 2016/17 - PS18/16](#)
- This PRA PS summarises the feedback received on CP10/16 and provides the PRA's response. It sets out the final fee rates and rules to recover the PRA's Annual Funding Requirement and ring-fencing implementation fee for the financial period 1 March 2016 to 28 February 2017. This PS is relevant to all PRA-authorized firms.
- 30 June 2016 [PRA Annual Report 2016](#)
- The PRA Annual Report and Accounts 2016 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 2016. The report covers the requirements of paragraph 19 of Schedule 1ZB of FSMA and includes; a review of 2015-16, the PRA strategy, the Business Plan for 2016-17, and the Directors' Report. Members of the public are invited to make representations to the PRA by 30 September 2016 on; the Annual Report, the way in which the PRA has discharged, or failed to discharge, its functions during the period to which the report relates, and the extent to which, in their opinion, the PRA's objectives have been advanced and the PRA has considered the regulatory principles to which it must have regard when carrying out certain of its functions (contained in section 3B of FSMA), and facilitated effective competition in the markets for services provided by PRA-authorized firms in carrying on regulated activities.
- 30 June 2016 [PRA Annual Competition Report 2016](#)
- This is the PRA's first Annual Competition Report. The PRA's secondary competition objective (SCO), as set out in Financial Services and Markets Act 2000, came into force on 1 March 2014. This report is set out in two parts: Part 1 explains how the PRA has interpreted the SCO and Part 2 sets out examples that demonstrate some of the ways in which the PRA is delivering against its SCO and thereby facilitating effective competition.
- For further information on strengthening accountability visit the [strengthening accountability webpage](#).

Also in the month

- 16 June 2016 [Letter from Bank of England Governor Mark Carney to Bernard Jenkin](#)
- 2 June 2016 [The New Fiver](#)
- 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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