



PRA Regulatory Digest

1-31 March 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.

Contents

[News](#)

[Banking publications and updates](#)

[Insurance publications and updates](#)

[Cross-cutting publications](#)

[Also in the month](#)

Top news and publications

- [Equity release mortgages – DP1/16](#)
- [Underwriting standards for buy-to-let mortgage contracts - CP11/16](#)
- [Financial Policy Committee and Prudential Regulation Authority publications on Tuesday 29 March 2016](#)
- [New accountability regime for banks and insurers comes into force](#)

News

- 29 March 2016 [Financial Policy Committee statement from its policy meeting, 23 March 2016](#)
- 23 March 2016 [News Release - Financial Policy Committee and Prudential Regulation Authority publications on Tuesday 29 March 2016](#)
- 7 March 2016 [New accountability regime for banks and insurers comes into force](#)

Banking publications and updates

- 29 March 2016 PRA published [statement on the interaction between the PRA buffer and the CRD IV combined buffer](#)
[Underwriting standards for buy-to-let mortgage contracts - CP11/16](#)
This CP seeks views on a supervisory statement which sets out the PRA's proposals regarding its expectations of minimum standards that firms should meet when underwriting buy-to-let mortgage contracts. The proposals also include clarification regarding application of the small and medium enterprises (SME) supporting factor on buy-to-let mortgages. This consultation closes on Wednesday 29 June 2016.
- 24 March 2016 [Amendments to the PRA's rules on loan to income ratios in mortgage lending – PS11/16](#)
This PS sets out final rules intended to keep second and subsequent charge mortgage contracts excluded from the loan to income (LTI) flow limit, following the implementation of the Mortgage Credit Directive. It also provides feedback to responses to CP6/16 on amendments to the PRA's rules on loan to income ratios in mortgage lending.
[Implementation of MiFID II: Part 1 – CP9/16](#)
In this CP, the PRA sets out its proposals for rules to transpose the Markets in Financial Instruments Directive (MiFID II) legislative package, comprising the Directive, MiFID II (2014/65/EU), and the Markets in Financial Instruments Regulation (2014/600/EU) (MiFIR). This consultation closes on Friday 27 May 2016.
- 15 March 2016 [The contractual recognition of bail-in: amendments to Prudential Regulation Authority rules - CP8/16](#)
In this CP the PRA puts forward proposals to amend the Contractual Recognition of Bail-In Part of the PRA Rulebook, along with a draft supervisory statement reflecting the PRA's expectations. The proposals are consistent with the modification by consent published by the PRA in November 2015. This consultation closes on Monday 16 May 2016.
- 4 March 2016 [Implementing risk-based levies for the Financial Services Compensation Scheme deposits class – CP7/16](#)
This CP sets out proposed changes to the Depositor Protection Part in the PRA Rulebook, and a new statement of policy in relation to the calculation of firm contributions to the Financial Services Compensation Scheme (FSCS). This consultation closes on Friday 3 June 2016.
[The implementation of ring-fencing: the PRA's approach to ring-fencing transfer schemes – PS10/16](#)
This PS sets out the PRA'S responses to feedback on CP33/15 'The implementation of ring-fencing: the PRA's approach to ring-fencing transfer schemes'. This PS also includes the final statement of policy (SoP) following CP33/15.
- 2 March 2016 [Strengthening individual accountability in banking: responses to CP1/16, and the Certification Part of CP29/15 – PS9/16](#)
This PS provides feedback on responses to CP1/16 – 'Strengthening individual accountability in banking: amendments to notification rules and forms'; and sets out the amended definition of the term 'significant risk taker' in the PRA's Certification rules as proposed in CP29/15 – 'Occasional consultation paper'.

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

Insurance publications and updates

- 7 March 2016 [PRA Solvency II XBRL technical event presentation](#)
On 7 March the PRA published a presentation from the Solvency II XBRL technical event held on 3 March 2016 for: i) category 1-3 firms that have already submitted returns during the preparatory phase; ii) category 4 and 5 firms that will make their first submission in 2016; iii) solution vendors; and iv) other industry stakeholders.
The presentation includes a section that was delivered by the Business Reporting - Advisory Group, aimed at individuals in firms and solution vendors responsible for technical aspects of firms' reporting.
For further information on Solvency II visit the [Solvency II updates webpage](#).

Cross-cutting publications and updates

- 31 March 2016 [Equity release mortgages – DP1/16](#)
In this DP, the PRA asks for views on equity release mortgage (ERM) valuation, capital treatment, risk management and associated matters. The PRA seeks a range of views on good practice for managing the risks introduced by investing in this asset class.
[Financial Services Compensation Scheme – management expenses levy limit 2016/17 – PS12/16](#)
This PS publishes the final management expenses levy limit (MELL) for the Financial Services Compensation Scheme (FSCS) for 2016/17 and provides feedback to the responses to CP4/16 on the FSCS MELL for 2016/17.
[Corporate governance: Board responsibilities – PS13/16 & SS5/16](#)
This PS sets out responses to feedback on CP18/15 and includes a final SS on board responsibilities (SS5/16). It is relevant to all PRA-regulated firms.
[Complaints against the Regulators \(the Bank of England, the Financial Conduct Authority and the Prudential Regulation Authority\) – PS14/16](#)
In this PS the PRA and FCA report on the main issues arising from PRA CP5/16 / FCA CP16/6 'Complaints against the Regulators (the Bank of England, the Financial Conduct Authority and the Prudential Regulation Authority)'.
30 March 2016 [2016 stress test scenario](#) published.
24 March 2016 [Regulated fees and levies: rates proposals 2016/17 – CP10/16](#)
This CP consults on proposals for the PRA's fees and levies for 2016/17 and is relevant to all PRA-authorized firms. The consultation closes on Tuesday 24 May 2016.
11 March 2016 [Updates to the PRA approach documents](#)
On 11 March the PRA updated its approach documents for banking and insurance, to reflect the regulatory environment, most significantly for insurers, the implementation of the Solvency II regime from 1 January 2016.

Also in the month

- 23 March 2016 [Taming international banks: Time for some new tricks? - speech by Sarah Breeden](#)
18 March 2016 [Quarterly Bulletin 2016 Q1](#) includes an article on 'The small bank failures of the early 1990s: another story of boom and bust'.
10 March 2016 [New polymer £5 note to be unveiled on Thursday 2 June 2016 and issued in September 2016](#)
9 March 2016 [Bank capital: Debating again - speech by Andrew Bailey](#)
8 March 2016 [Treasury Select Committee Hearing – The economic and financial costs and benefits of UK's EU membership: Mark Carney and Jon Cunliffe](#)
7 March 2016 [A macroprudential approach to bank capital: Serving the real economy in good times and bad - speech by Alex Brazier](#)
4 March 2016 [The Bank of England's supervision of financial market infrastructures - Annual Report](#)
2 March 2016 [Central banks and digital currencies - speech by Ben Broadbent](#)
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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