



PRA Regulatory Digest

1-31 May 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

- Culture in financial services – a regulator's perspective - speech by Andrew Bailey
- Bank of England and Financial Services Bill given royal assent

News

- 9 May 2016 [News Release - Culture in financial services – a regulator's perspective - speech by Andrew Bailey](#)
- 4 May 2016 [News Release - Bank of England and Financial Services Bill given royal assent](#)

Banking publications and updates

- 25 May 2016 [CRD firms - Reporting requirements](#)
The Prudential Regulation Authority (PRA) corrected a minor XML validation error in the templates for data items FSA083 and FSA084 with regard to the length of the numbers that were able to be entered into the data fields. Data items and reporting instructions remain unchanged.
- 18 May 2016 [Internal governance - SS21/15 UPDATE](#)
Supervisory Statement (SS) 21/15 was updated to remove paragraphs 2.2 and 2.3 on audit committees due to the PRA publication of new rules in [PS16/16 'Implementing audit committee requirements under the revised Statutory Audit Directive'](#) (see Cross-cutting publications and updates).
- 12 May 2016 [Pillar 2 liquidity - CP21/16](#)
In this consultation paper (CP), the PRA proposes a statement of policy on its approach to three aspects of Pillar 2 liquidity ('Pillar 2'): intraday risk, debt buyback and non-margined derivatives. The CP also outlines the PRA's Pillar 2 objectives and scope. This consultation closes on Friday 12 August 2016.
- 10 May 2016 [CRD IV update](#)
The PRA published a reporting clarification on the procedures for reporting 'Own funds requirements related to Pillar II adjustments' in the COREP CA4 template.
For further information on CRD IV visit the [CRD IV updates webpage](#).

Insurance publications and updates

- 26 May 2016 [Solvency II reporting schedules](#)
There are three distinct phases of Solvency II regulatory reporting. In the transitional phase, December year end solo firms will supply Day 1 submissions by 20 May 2016 and Q1 2016 submissions by 26 May 2016. A PDF of the reporting schedule for a firm with a year end of 31 December is available [here](#).
- 25 May 2016 [Solvency II: Monitoring model drift and standard formula SCR reporting for firms with an approved internal model - CP22/16](#)
In this CP, the PRA proposes its approach to monitoring model drift and expectations on firms with an approved internal model for reporting the standard formula Solvency Capital Requirement (SCR). This consultation closes on Wednesday 17 August 2016.
[Recalculation of the 'transitional measure on technical provisions' under Solvency II - SS6/16](#)
This SS sets out the PRA's expectations and proposed process for requesting that a firm carry out a recalculation of the transitional measure and assessing a firm's application for a recalculation on the basis of a material change in risk profile.
- 24 May 2016 [EIOPA stress testing](#)
The European Insurance and Occupational Insurance Authority (EIOPA) launched the 2016 insurance stress test package on Tuesday 24 May and opened its central Question and Answer (Q&A) process. Scenario data is due to be returned to the PRA for validation purposes on or before Friday 15 July.
- 11 May 2016 [Solvency II news: Detailed technical information](#)
The PRA set out the basis of the correct allocation to the lines of business, and in consequence some issues on the unbundling of contracts, that the PRA expects for reporting insurance contracts under

5 May 2016 employer's liability insurance and motor insurance.
[Risk transfer - and the risks it creates: a prudential regulatory perspective - speech by Andrew Bulley](#)
[Solvency II: Changes to internal models used by UK insurance firms - CP19/16](#)
In this CP the PRA proposes a draft SS setting out the PRA's expectations on firms and the Society of Lloyd's in relation to changes to internal models and extensions to the scope of internal models that have been approved under Solvency II. This consultation closes on Friday 5 August 2016.
[Solvency II: consolidation of Directors' letters - CP20/16](#)
In this CP, the PRA sets out its proposals for streamlining the presentation of the ways in which it expects firms to meet various requirements of Solvency II (the Directive). The draft and updated supervisory statements appended to this CP set out the PRA's expectations of firms that were in formats including Solvency II Directors' letters, Executive Director's letters and feedback statements ('Directors' letters') published in the period 1 April 2013 to 15 February 2016. This consultation closes on Friday 5 August 2016
[Reporting requirements for non-Solvency II insurance firms - CP18/16](#)
This CP sets out proposals for new reporting rules in the PRA Rulebook that would apply to insurance firms that are outside the scope of Solvency II from 1 January 2016.
For further information on Solvency II visit the [Solvency II updates webpage](#).

Cross-cutting publications and updates

18 May 2016 [Implementing audit committee requirements under the revised Statutory Audit Directive - PS16/16](#)
This PS provides feedback to responses to 'Implementing audit committee requirements under the revised Statutory Audit Directive' - CP34/15. It also sets out the final rules in Appendix 1, implementing the audit committee requirements of article 39 of the Statutory Audit Directive as amended by Directive 2014/56/EU for PRA-regulated firms.

Also in the month

26 May 2016 [Ending too big to fail: Getting the job done - speech by Andrew Gracie](#)
[Record of FPC Meeting held on 13 May 2016](#)
[FPC's framework for the systemic risk buffer](#)

20 May 2016 [Staff Working Paper No. 602: Do we need a stable funding ratio? Banks' funding in the global financial crisis - Antoine Lallour and Hitoshi Mio](#)
[Staff Working Paper No. 603: Let's talk about the weather: the impact of climate change on central banks - Sandra Batten, Rhiannon Sowerbutts and Misa Tanaka](#)

18 May 2016 [The Great Divide - speech by Andy Haldane](#)

11 May 2016 [Central clearing: setting the regulatory bar - speech by David Bailey](#)
[Financial Stability Paper 37: Got to be certain: The legal framework for CCP default management processes - Jo Braithwaite and David Murphy](#)

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

Send your comments on the Regulatory Digest to [PRA Communications](#).
For regular updates follow us on Twitter: [@bankofengland](#).
Find all PRA Regulatory Digests on the [Bank of England website](#).