



PRA Regulatory Digest

1 – 31 January 2017

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

- PRA publishes policy on the deposit protection limit and a joint consultation with the FCA on the FSCS management expenses levy limit (MELL). New £85,000 deposit protection limit.
- The Governor responds to Sir John Vickers on the Bank's approach to stress testing.
- New electronic reporting requirements for credit unions take effect.

News

11 January [The Bank's approach to stress testing – letter from the Governor](#)

Cross-cutting publications and updates

16 January [Financial Services Compensation Scheme Management Expenses Levy Limit 2017/18 – CP1/17](#)

This Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) consultation paper (CP) sets out the consultation on the management expenses levy limit (MELL) for the Financial Services Compensation Scheme (FSCS) for 2017/18. The MELL being consulted on for 2017/18 is £75.54 million.

The MELL is the maximum amount which the FSCS may levy in a year without further consultation. This covers the projected costs of operating the scheme (£69.24 million) excluding claimants' compensation costs, and an unlevied contingency reserve (£5.3 million). This consultation is relevant to all FCA and PRA authorised firms. This consultation closes on Monday 13 February 2017.

[PRA Rulebook: Administration Instrument 2017](#)

Following consultation on this administration instrument, the PRA makes corrections to the PRA Rulebook. The corrections are not substantive and are not intended to change PRA policy.

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

Banking publications and updates

31 January [The Bank publishes taxonomy and related technical artefacts following PS32/16 'Responses to Chapter 3 of CP17/16 – forecast capital data'](#)

The Bank published v1.0.0 of the Bank of England Banking XBRL Taxonomy and related technical artefacts following [Policy Statement \(PS\) 32/16](#) and the feedback request published on Monday 9 January (see [Taxonomy webpage](#)). This version of the taxonomy, Data Point Model dictionary, annotated templates and validation rules cover the requirements for Capital+ reporting as set out in PS32/16, which takes effect from 1 October 2017.

27 January [PRA publishes a variation to previous Modifications by Consent to the Leverage Ratio rule, the Public Disclosure rule and the Reporting Leverage Ratio rule](#)

The PRA published a variation to previous Modifications by Consent to Leverage Ratio rule 1.2, Public Disclosure rule 1.1 and Reporting Leverage Ratio rule 1.2 on the [Waivers by consent webpage](#). Along with the Modification by Consent, the PRA issued the modified FSA083 data item, which is available under 'FSA data items'. Given firms need to submit data in XML format, supervisors will email the modified FSA083 data item needed for submission of data (XLTX or XSD file) by Tuesday 28 February 2017 latest.

- 23 January [Supervising building societies' treasury and lending activities – SS20/15 UPDATE](#)
- Supervisory Statement (SS) 20/15 was updated to provide additional clarification and corrections following its publication on 1 December 2016 in [PS34/16 'Supervising building societies' treasury and lending activities'](#). See Appendix 7 for full details. The purpose of this SS is to set out the PRA's approach to its supervision of building societies' lending and treasury activities. The SS aims to build on the principle that the risk appetites of building societies should be properly aligned to their risk capacity, in order to promote the safety and soundness of building societies as deposit-taking institutions.
- 16 January [Deposit protection limit – PS1/17](#)
- This PRA policy statement provides feedback to responses to [CP41/16 'Deposit protection limit'](#). It also contains final rules (Appendix 1) and an updated [SS18/15 'Depositor and dormant account protection'](#) (Appendix 2). The new £85,000 deposit protection limit is effective from 30 January 2017. This PS is relevant to UK banks, building societies, credit unions, as well as to overseas firms with PRA deposit-taking permission, dormant account fund operators, the Financial Services Compensation Scheme, and depositors.
- 3 January [New electronic reporting requirements take effect for credit unions](#)
- The new electronic reporting requirements for credit unions took effect on Tuesday 3 January following [PS31/16 'Credit unions regulatory reporting'](#). Details of the new forms and notes, and the Bank of England's Electronic Data Submission (BEEDS) portal which is used to submit returns are available on the ['Credit unions – Financial returns' webpage](#).
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- 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 Banks Start-up Unit webpage](#).

PRA open consultations – closing February 2017

- 7 February [Solvency II: group supervision – CP38/16](#)
- 13 February [Financial Services Compensation Scheme – Management Expenses Levy Limit 2017/18 – CP1/17](#)
- 14 February [Cyber insurance underwriting risk – CP39/16](#)
- 23 February [Authorisation and supervision of insurance special purpose vehicles – CP42/16](#)
- 27 February [Implementation of MiFID II: Part 2 – CP43/16](#)

To view all open consultations as at 1 February 2017, please see [PRA open consultations](#).

Also in the month

- 25 January [The Promise of FinTech – Something New Under the Sun? – speech by Mark Carney](#)
- 24 January [Market Functioning – speech by Chris Salmon](#)
- 16 January [Lambda – speech by Mark Carney](#)
- 13 January [Latest Credit Conditions Survey](#)
[Latest Bank Liabilities Survey](#)
[Latest Credit Conditions Review](#)

These items are selected from [Latest Bank of England news](#). Readers may also find it useful to refer to the [Statistics](#) and [Research](#) sections of the Bank's website.

Bank Underground

Bank Underground is a blog for Bank of England staff to share views that challenge – or support – prevailing policy orthodoxies. The views expressed here are those of the authors, and are not necessarily those of the Bank of England or its policy committees.

To view all Bank underground blogs, please see the [Bank Underground homepage](#).

KnowledgeBank

[KnowledgeBank](#) explains the economy, the financial system and the role of the Bank of England in simple, jargon-free terms. From [interest rates](#) and [inflation](#) through to [bank failures](#) and [financial crises](#), the site uses everyday examples and engaging visuals to bring economics to life.

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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