



PRA Regulatory Digest

1 - 30 September 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.

Contents

[News](#)

[Cross-cutting publications and updates](#)

[Banking publications and updates](#)

[Insurance publications and updates](#)

[PRA open consultations](#)

[Also in the month](#)

[Bank Underground](#)

[KnowledgeBank](#)

[European and international developments](#)

Top news and publications

- Letter from Sam Woods on transitional arrangements for capital impact of IFRS 9 expected credit loss accounting.
- Stress testing results to be published on 28 November
- Regulated fee and levies: Adjustment to rates for 2017/18 – CP17/17

News

22 September

[Stress testing results to be published on 28 November](#)

On 27 March 2017 we set out details of the 2017 stress test scenarios for the seven major UK banks and building societies. The scenarios were agreed by the Financial Policy Committee (FPC) and Prudential Regulation Committee (PRC).

The 2017 stress test includes two stress scenarios. Alongside the annual cyclical scenario (ACS), we are, for the first time, running an additional biennial exploratory scenario (BES).

Cross-cutting publications and updates

20 September

[Joint European Supervisory Guidelines, text update on Change in Control page](#)

The Joint European Supervisory Authorities (ESA) Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector come into force on 1 October 2017. The PRA and FCA comply with the Guidelines except the provisions relating to the identification of acquirers of indirect qualifying holdings.

12 September

[Regulated fees and levies: Adjustment to rates for 2017/18 – CP17/17](#)

This consultation paper (CP), sets out the Prudential Regulation Authority's (PRA) proposal to correct the fee rates for the PRA's Annual Funding Requirement (AFR) for 2017/18 published in [Policy Statement \(PS\) 17/17 'Regulated fees and levies: rates for 2017/18'](#)

This CP is relevant to all firms that currently pay PRA fees or are expecting to do so within the 2017/18 fee year (1 March 2017 to 28 February 2018). This consultation closes on Thursday 12 October 2017.

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

Banking publications and updates

27 September

[Compliance with the EBA's guidelines on disclosure – SS6/17 - \(following CP10/17\)](#)

In this supervisory statement (SS), we set out a waiver for the requirement to disclose template 'EU CCR5-B – Composition of Collateral for exposures to CCR' (CCR5 B) in the European Banking Authority's (EBA's) Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (the EBA Guidelines). It also sets out the PRA's expectations in respect of certain aspects of firms' compliance with the waiver.

[Capital+ November UAT reminder](#)

- 27 September On Wednesday 27 September the PRA published an update on Capital+ reporting requirements (as previously set out in [PS32/16 'Responses to Chapter 3 of CP17/16 - forecast capital data'](#)) ahead of 1 October, when the requirements take effect.
- 25 September [Letter from Sam Woods \(Deputy Governor of Prudential Regulation and PRA CEO\) to CEOs 'Transitional arrangements for capital impact of IFRS 9 expected credit loss accounting'](#)
- 19 September [Depositor and dormant account protection – SS18/15 UPDATE](#)
- The only update is to paragraph 3.16 where the PRA is providing clarity on the use of the FSCS badge on the information sheet contained in Annex 1 of the Depositor Protection Part of the PRA Rulebook.
- 18 September [The implementation of ring-fencing: reporting and residual matters – responses to CP25/16 and Chapter 5 of CP36/16](#)
- We published a public working draft (PWD) of the standalone ring-fencing taxonomy that will make up part of v3.0 of the Bank of England Banking XBRL Taxonomy, alongside related technical artefacts. This follows [Policy Statement \(PS\) 3/17 'The implementation of ring-fencing: reporting and residual matters – responses to CP25/16 and Chapter 5 of CP36/16'](#). The taxonomy, data point model (DPM) dictionary, annotated templates and validation rules represent the requirements for reporting of ring-fencing data as set out in PS3/17. Firms and software vendors are invited to provide feedback on the PWD of the technical artefacts by Friday 6 October 2017. The PRA will aim to publish the final v3.0 Bank of England Banking XBRL taxonomy in Spring 2018. See the [Taxonomy](#) webpage for more information. The PRA also confirms that the GABRIEL system will be used to collect ring-fencing reporting data.
- [Ring-fencing transfer scheme – dates for banks' court directions hearings](#)
- 15 September [FINREP reporting clarifications](#)
- We published UK-specific reporting clarifications for FINREP Financial Statements templates. The clarifications are intended to help firms in complying with the financial statements reporting requirements, as set out in paragraph 2.9 of [PS36/16 'Financial statements - responses to Chapter 3 of CP17/16'](#). The clarifications will be applicable to firms submitting from 2018 Q1 onwards.
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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](#).

Insurance publications and updates

- 1 September [April 2017 public disclosure update](#)
- We updated the April 2017 public disclosure with templates A and B, as required under Article 31(2)(c) of the EU Solvency II Directive.
- This public disclosure is designed to foster a uniform level of transparency and accountability between supervisory authorities. This information is accurate as at 1 September 2017 and will be updated on a regular basis.
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- 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](#).

PRA open consultations – closing October 2017

- 06 October [PRA Annual Report and Accounts 1 March 2016 - 1 March 2017](#)
- 12 October [Regulated fees and levies: Adjustment to rates for 2017/18 – CP17/17](#)
- 12 October [Pillar 2A capital requirements and disclosure – CP12/17](#)
- 13 October [Pillar 2 liquidity – CP13/17](#)
- 24 October [PRA fees and levies: model transaction fees, fees and FSCS levies for insurers and fees for designated investment firms – CP16/17](#)
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- To view all open consultations as at October 2017 please see [PRA open consultations](#).

Also in the month

- 29 September [Ten years on: Lessons from Northern Rock – speech by Jon Cunliffe](#)
- 19 September [Cooperation and coordination across policy domains – speech by Donald Kohn](#)
- 15 September [Quarterly Bulletin 2017 Q3, Including an article on Pillar 3 disclosures: looking back and looking forward](#)
- 13 September [New Payment System Operator formed](#)

- 12 September [Securing success for the FX Global Code – speech by Chris Salmon](#)
8 September [The financial crisis ten years on: what's been done to make the system safer?](#)
4 September [Firm feedback survey launched](#)

We launched the survey to the small and medium-sized firms that have been invited to complete it this year. The survey closed on Monday 28 September.

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. In September, we published an article titled '[Is the global financial system any safer than before?](#)'

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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