



PRA Regulatory Digest

01 – 31 May 2018

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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14 May [‘The shared response to climate change: turning momentum into action’ – speech by Sarah Breeden](#)

Cross-cutting publications and updates

22 May [CP12/18 ‘Securitisation: The new EU framework and Significant Risk Transfer’](#)

This Consultation Paper (CP) sets out the PRA’s proposals on its approach to the European Union’s Securitisation Regulation and certain aspects of the revised Capital Requirements Regulation (CRR) banking securitisation capital framework. This CP also proposes to update firms on the PRA’s expectations with regard to Significant Risk Transfer (SRT) securitisation.

The proposals in this CP are relevant to all PRA-authorized Capital Requirements Directive IV (CRD IV) firms and all Solvency II firms.

The date of application for the new securitisation legislative framework is Tuesday 1 January 2019. The proposals laid out in the proposed new PRA SS ‘Securitisation: general requirements and capital framework’ and [SS31/15](#) would be effective from Tuesday 1 January 2019.

The proposals laid out which amend SS9/13 would apply immediately after the publication of a PS to all PRA-authorized CRD IV firms, as they are equally applicable to the current and Amended CRR.

This consultation closes on Wednesday 22 August 2018.

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

Banking publications and updates

11 May [PS31/17 UPDATE & MiFID II instrument](#)

The PRA has updated Policy Statement (PS) 31/17 (as proposed in paragraph 1.2) to include the reference to the final MiFID II Passporting Implementing Technical Standard which was published in the Official Journal of the European Union on Wednesday 20 December 2017. This instrument has an effective date of Monday 5 February 2018. There is no change in policy.

10 May [UK IRB Mortgages Round Table](#)

On Friday 23 March and Friday 6 April 2018, the PRA hosted sessions to discuss the findings of its cross-firm reviews of UK mortgage internal ratings based (IRB) models with established and aspiring IRB firms. The presentation slides used at the event are available on the [website](#).

3 May [Public working draft \(PWD\) of the standalone MREL reporting taxonomy](#)

The PRA published a PWD of the standalone Minimum Requirement for own funds and Eligible

Liabilities (MREL) reporting taxonomy that will make up part of the Bank's Banking XBRL taxonomy, alongside related technical artefacts. The taxonomy, data point model (DPM) dictionary, annotated templates and validation rules represent the requirements for MREL reporting, as mentioned in [Consultation Paper 1/18 'Resolution planning: MREL reporting'](#). Firms and software vendors were invited to provide feedback on the PWD of the taxonomy and DPM artefacts. The PRA will aim to publish the updated Banking XBRL taxonomy in Summer 2018. Please note: the BEEDS system will be used to collect MREL reporting data.

25 April

[Consultation on new messaging standard for UK payments: ISO 20022](#)

In early June, the Bank of England will consult on a new messaging standard for UK payments: ISO 20022.

The Bank will consult on the contents of the message which will be used by CHAPS, Faster Payments and Bacs, as well as how we transition to the new standard for CHAPS payments. The implementation of ISO 20022 could mean significant changes across the payments industry. Getting the design and approach to implementation right is critical to its success, so we will seek views from a wide range of organisations. [View further information and register for updates.](#)

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

31 May

[Letter from Anna Sweeney 'Market conditions facing specialist general insurers: Feedback from recent PRA review work'](#)

This letter is addressed to Chief Executives of specialist general insurance firms regulated by the PRA. The letter requests a summary of firms' responses on the issues raised by Friday 27 July 2018 from PRA Category 1, 2 or 3 firms predominantly operating in the London Market.

17 May

[PS10/18 'Financial management and planning by insurers'](#)

This PS provides feedback to responses to [CP23/17 'Financial management and planning by insurers'](#), and the final Supervisory Statement (SS) 4/18 ['Financial management and planning by insurers'](#).

This PS is relevant to all UK insurance firms and groups in scope of the Solvency II Directive, and to the Society of Lloyd's and managing agents.

14 May

[Chief Actuary Forum for general insurers](#)

The PRA is holding a Chief Actuary Forum for general insurers on Monday 2 July targeted at holders of Senior Insurance Management Function (SIMF) 20 Chief Actuary. Please [register by Friday 15 June](#).

If you have any queries, please contact PRAeventsmanagement@bankofengland.co.uk.

[EIOPA launched its third Solvency II based stress test for insurers](#)

EIOPA launched its third Solvency II based stress test for insurers on Monday 14 May 2018. EIOPA conducts biennial stress tests to help scale the impact on insurance companies of the crystallisation of various economic and non-economic risks. As in previous years, there is no pass/fail hurdle rate in the 2018 exercise but this year's exercise will be focused on groups. More information on the stress tests and timescales can be found on [EIOPA's website](#).

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 June 2018

1 June

[CP11/18 'Solvency II: Changes to reporting format'](#)

To view all open consultations as at 1 June 2018 please see [PRA open consultations](#).

Also in the month

24 May

['Staying Connected'](#) – speech by Mark Carney

['Guidance, Contingencies and Brexit'](#) – speech by Mark Carney

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

From [interest rates](#) and [inflation](#) through to [bank failures](#) and [financial crises](#), [KnowledgeBank](#) 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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