

Newsletter

PRA issue statement regarding supervisory cooperation on banks' operational resilience

The PRA urges banks to enhance operational resilience amidst growing cyber and climate change concerns. Acknowledging the shared interest between supervisors and the industry in strengthening operational resilience, the PRA stipulates greater coordination with the European Central Bank and the Federal Reserve is the key to ensuring that supervisory approaches on operational resilience are well coordinated.

Find out more:

<https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-regarding-supervisory-cooperation-on-operational-resilience>

UKFIU publish Suspicious Activity Report (SAR) 2020

UK's Finance Intelligence Unit (UKFIU), of the National Crime Agency (NCA), publish its SAR Annual Report 2020, indicating a 20% increase in SARs and nearly £172m withheld from suspected criminals in requests for Defence Against Money Laundering (DAML). UKFIU's new SARs Reform Programme, led by the Home Office, aims to tackle challenges including assessing the quality of SARs/DAMLs, IT infrastructure to process increasing volumes, and the knowledge and expertise of individuals performing investigations.

Find out more:

<https://www.nationalcrimeagency.gov.uk/who-we-are/publications/480-sars-annual-report-2020/file>

ECB prioritise bank governance amidst C-19

Elizabeth McCaul, Member of the European Central Bank (ECB) Supervisory Board, highlights key areas of improvement concerning effective governance within European banks, including risk data aggregation, accuracy and timeliness of internal reporting, as well as adequate monitoring of control functions. Additionally, the ECB will be publishing a revised guide on 'fit and proper assessments' to reassess EU bank directors.

Find out more:

<https://www.bankingsupervision.europa.eu/press/speeches/date/2020/html/ssm.sp201203~4c2c39db9d.en.html>

PRA issue statement on implementation of CRD V

In their statement, the PRA explains their approach to transposing the forthcoming Capital Requirements Directive (CRD V) through The Financial Holding Companies and Capital Requirements Regulations 2020. The PRA intends to publish a Policy Statement by mid-December, ahead of CRD V implementation on 28 December, which will summarise further supervisory processes required for implementation as well as outline the revised definition of 'capital' under Pillar 2A.

Find out more:

<https://www.bankofengland.co.uk/prudential-regulation/publication/2020/capital-requirements-directive-v>

FCA letter to firms' Board of Directors on consumer credit risks

The FCA set out its view of the risks that mainstream consumer credit lenders may pose to their consumers, as well as information on how firms are mitigating associated risks. The Authority highlights transparency of pricing and features to ensure customers make informed decisions when considering a credit product, including clarification on interest-free payments.

Find out more:

<https://www.fca.org.uk/publication/correspondence/mainstream-consumer-credit-lenders-portfolio-letter.pdf>