

Newsletter

FATF-Egmont report on detecting Trade-based Money Laundering

The Financial Action Task Force (FATF) and Egmont Group publish a report aimed to help the public and private sectors (including financial institutions, customs agencies, and financial intelligence units) detect risks associated with trade-based money laundering, given the challenges posed by the diversity and speed of trade transactions and involvement of multiple parties.

Find out more:

<http://www.fatf-gafi.org/publications/methodsandtrends/documents/trade-based-money-laundering-trends-and-developments.html>

PRA's Policy Statement on 'Simplified Obligations for Recovery Planning' for firms

The PRA issue a Policy Statement to support their Consultation Paper on 'Simplified Obligations for recovery planning'. Under the Bank Recovery and Resolution Directive (BRRD), Simplified Obligations enable the PRA and the Bank of England to determine the level of detail in firm's recovery and resolution planning, in the case of failure or solvency. This planning is subject to the size and complexity of the firm in question, as well as the effect of the failure on financial markets and the wider economy.

Find out more:

<https://www.bankofengland.co.uk/prudential-regulation/publication/2020/simplified-obligations-recovery-planning>

EBA update impact of Basel III reforms on EU banks' capital

The European Banking Authority (EBA) have published a report on the impact of implementing the final Basel III reforms in the EU, with results indicating an average increase in minimum Tier-1 capital requirement by 15.4% for EU banks and 16.2% for large and internationally active (bulge-bracket) banks. The reforms are set to be fully implemented in 2028 and do not reflect the economic impact of the pandemic on participating banks.

Find out more:

<https://eba.europa.eu/eba-updates-impact-basel-iii-reforms-eu-banks%E2%80%99-capital>

PRA Policy Statement on CRDV

The Prudential Regulation Authority (PRA) issue a Policy Statement on the Capital Requirements Directive V (CRD V), with guidance on the quality of capital, risks and leverage under Pillar 2, amendments to 'The Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP)', as well as proposed rules in the 'Remuneration' section of the PRA Rulebook. The policy has been designed specifically in the context of the UK's withdrawal from the EU, amidst the current transition period.

Find out more:

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

ECB prolong support for banks that lend to the real economy

The European Central Bank (ECB) modify the terms and conditions of the targeted longer-term refinancing operations (TLTRO III), which are intended to preserve EU banks' efforts to secure liquidity and keep credit flowing to the real economy, amidst high stress. Alterations include the extension of the pandemic-related low interest rate period by 12 months, the addition of three more operations and the raise in borrowing allowance to 55% of eligible loans.

Find out more:

https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr201210_1~e8e95af01c.en.html