

# Newsletter

## PRA publish 'Dear CEO' letter for UK deposit takers

Prudential Regulation Authority's (PRA) 'Dear CEO' letter sets out six priorities for regulated deposit takers (banks, building societies and credit unions) in 2021. These include the build-up of substantial capital buffers amidst Covid-19, implementation of robust credit risk-management practices, operational resilience, the transition from LIBOR to alternative risk-free rates, enhanced regulatory regimes and tackling climate change risks.

Find out more:

<https://www.bankofengland.co.uk/prudential-regulation/letter/2020/ukdt-supervision-2021-priorities>

## ML/TF : FATF offers guidance and EBA explains new powers

The Financial Action Task Force (FATF) have updated their report on COVID-19 related ML/TF risks and policy responses, citing case studies on cybercrime, investment fraud and abuse of economic stimulus measures, and voicing concerns over increased financial volatility and economic contraction caused by the loss of millions of jobs and closures of thousands of companies. The European Banking Authority (EBA)'s new risk assessment methodology comes as part of their new role to lead, coordinate and monitor the fight against ML/TF across EU Member States. It's primary objective? To establish the competency, capability and resourcefulness of authorities in tackling emerging ML/TF risks across the single market.

Find out more:

<http://www.fatf-gafi.org/publications/methodsandtrends/documents/updated-covid-19-ml-tf.html>

<https://eba.europa.eu/eba-explains-how-it-will-use-its-new-power-carry-out-risk-assessments-fight-against-money-laundering>

## UK Government publish 2020 National Risk Assessment (NRA) of ML/TF financing

HM Treasury and the Home Office set out their assessment of lingering ML/TF risks, including changes since the 2017 NRA. Released to inform the UK's continued work to prevent criminals moving money, the report findings include vulnerabilities presented by emerging fintech firms, move of cryptoassets from low risk (2017) to medium risk (2020), as well as a momentous 20% YoY increase (573,085 in 2019-20) in the submission of Suspicious Activity Reports (SARs).

Find out more:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/945411/NRA\\_2020\\_v1.2\\_FOR\\_PUBLICATION.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945411/NRA_2020_v1.2_FOR_PUBLICATION.pdf)

## ICO publish novel 'Data Sharing Code of Practice'

The Information Commissioner's Office (ICO) publish 'Data Sharing Code of Practice', aimed at providing economic/social benefits including tech innovation and rapid growth. Commenting on the benefits, Information Commissioner Elizabeth Denham remarks: "I have seen first-hand how sharing data between organisations has been crucial to protecting people during the response to the COVID-19 pandemic."

Find out more:

<https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2020/12/ico-publishes-new-data-sharing-code-of-practice/>

## Bahamas removed from grey list

The FATF removed Bahamas from the list of Jurisdictions under Increased Monitoring, due to significant progress made in improving the effectiveness of their AML/CFT regime. Addressing related technical deficiencies to meet commitments in their action plan as well as tackling strategic deficiencies, the Bahamas will continue working with Caribbean-FATF to further improve their AML/CFT regime.

Find out more:

<http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/bahamas-delisting-2020.html>