

Newsletter

OECD MDR rules to displace DAC6 for UK intermediaries

HMRC has confirmed that from 1 January 2021, following the conclusion of UK-EU Free Trade Agreement (FTA), EU DAC6 (Directive 2018/822) has ceased to apply in the UK, with institutions required to implement the OECD mandatory disclosure rules (MDR) instead. Under the new stipulations, reporting in the UK is to be restricted to Hallmark D involving arrangements, the effect of which is the concealment of the ultimate beneficial owners, or of avoiding the application of information exchange regimes.

Find out more:

<https://www.legislation.gov.uk/ukSI/2020/1649/made>

FS Impact of Brexit Trade Deal

The EU Council has adopted the EU-UK Trade and Cooperation Agreement ("Agreement"), consenting to its provisional application from January 2021. Whilst the Agreement provides very little information about financial services (FS), the Joint Declaration on FS regulatory cooperation between the EU and the UK will allow for the bilateral exchange of views pertaining to regulatory initiatives, transparency, as well as enhanced cooperation and coordination. The UK and EU are expected to establish a framework, outlining the impact on the FS industry by March 2021.

Find out more:

<https://www.consilium.europa.eu/en/press/press-releases/2020/12/29/>

<https://www.gov.uk/government/publications/agreements-reached>

ICO statement on UK-EU personal data flow extension

Following UK Government's announcement regarding the free flow of personal data from the EU (and EEA) to the UK for no more than six months, the ICO recommends that businesses sharing personal data with EU and EEA organisations adopt alternative transfer mechanisms. Information Commissioner Elizabeth Denham reassures organisations to remain "confident", with no need to "make changes to their data protection practices."

Find out more:

<https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2020/12/ico-statement-in-response-to-uk-governments-announcement-on-the-extended-period-for-personal-data-flows>

PRA update on banking supervision

PRA release an update on The Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP), providing high-level expectations outlined in 'The Prudential Regulation Authority's approach to banking supervision'. Expectations set out cover the Authority's expectations from firms regarding appropriate data requirements to support submitted ICAAP documents, stress testing, scenario analysis and capital planning, as well as reverse stress testing.

Find out more:

<https://www.bankofengland.co.uk/prudential-regulation/publication/2013/the-internal-capital-adequacy-assessment-process-and-supervisory-review-ss>

PRA update on supervising third-country banks

PRA's update on supervision of third-country credit institutions sets out its expectations of reporting requirements from firms. Primary factors covered include firm's liquidity coverage ratio, reports to the home state supervisor (HSS), and requires timely submission of firm-level liquidity data. The update also sets out the frequency of reporting for firms, provision of liquidity information during a stress, as well as alternative reporting arrangements where applicable..

Find out more:

<https://www.bankofengland.co.uk/prudential-regulation/publication/2017/supervising-international-banks-the-pras-approach-to-branch-supervision-liquidity-reporting-ss>