

# Newsletter

## PRA statement on supervisory benchmarking exercise relating to capital internal models

The Prudential Regulation Authority provide further clarification for in-scope credit institutions on their 2021 supervisory benchmarking exercise for capital internal models. They encourage firms to use the draft implementing standards, in relation to market risk and credit risk data, in place of more outdated versions, designed for the 2019 benchmarking exercise. The Authority has taken into account the reporting challenges caused by COVID-19, as well as the technical and operational challenges of switching data requirements at a late stage.

Find out more:

<https://www.bankofengland.co.uk/prudential-regulation/publication/2021/february/pru-statement-on-supervisory-benchmarking-exercise-relating-to-capital-internal-models>

## EC publish report on Sustainable Finance Strategy

The European Commission publish a summary report of the stakeholder consultation on the Renewed Sustainable Finance Strategy, as an extension of their overall ambitions to significantly increase the EU's climate action and environmental policy impact. Applicable from the first half of 2021, the framework builds on the foundations of sustainable finance, seeking to holistically integrate climate and environmental risks into financial institutions and financial systems.

Find out more:

[https://ec.europa.eu/info/sites/info/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/2020-sustainable-finance-strategy-summary-of-responses\\_en.pdf](https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/2020-sustainable-finance-strategy-summary-of-responses_en.pdf)

## EBA launch public consultation under the IFD

The European Banking Authority (EBA) release a consultation paper on implementing technical standards (ITS), concerning the new prudential requirements that Member State authorities will be required to publicly disclose for investment firms authorised under MiFID II. Article 57(1) of the Investment Firms Directive (IFD) sets out the requirements for Member State competent authorities to publicly disclose certain information, namely their texts of laws, regulations, administrative rules and general guidance, adopted pursuant to the IFD, as well as aggregate statistical data on key aspects of the implementation of the IFD and Investment Firms Prudential Regulation (IFPR).

We will cover the IFPR and prudential requirements for hedge funds at our upcoming webinar, "Ahead of the Curve: Regulatory Updates for HFMs". Reserve your spot, register now for free: <https://lnkd.in/dSTreGf>

Find out more:

<https://www.eba.europa.eu/>

## HMRC issue briefing on off-payroll working arrangements (IR35)

Ahead of the new off-payroll working rules ('IR35') coming into force on 6 April 2021, HMRC issue a briefing, with rules applicable to medium and large-sized private sector organisations that engage contractors who work through their own limited companies, other intermediary employment agencies and suppliers of contractors.

Find out more:

<https://www.gov.uk/government/publications/hmrc-issue-briefing-supporting-organisations-to-comply-with-changes-to-the-off-payroll-working-rules-ir35>

The briefing also signposts HMRC's online 'Check Employment Status for Tax' (CEST) tool, used to determine a worker's employment status for tax and NICs purposes. HMRC will stand by the results provided by the CEST tool, as long as the data input is accurate and the tool is utilised in accordance with their published guidelines.