

# Newsletter

## PRA announces its approach to new and growing banks

The PRA has issued its Policy Statement 8/21 that applies to new and growing non-systemic UK-incorporated banks. The final package includes its supervisory statement on non-systemic UK banks, updated guidance on the Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP), its updated Statement of Policy on methodologies for setting Pillar 2 capital.

The PRA has confirmed that it would consider each bank's situation on its own merits and apply supervisory judgement to ensure that the policy is applied appropriately.

Find out more:

<https://www.bankofengland.co.uk/prudential-regulation/publication/2020/new-and-growing-banks>

## Dear CEO letter on deposits via Deposit Aggregators

In a joint letter the PRA and the Financial Conduct Authority (FCA) have written to CEOs on their expectations on mitigating Deposit Aggregators' risks through the consideration of:

- Extent to which deposit books rely on business sourced via Deposit Aggregators
- Measures to achieve a faster customer repayment by the FSCS in the event of need
- Information on the Deposit Aggregators used, sourcing of deposits, whether the 'direct' or 'trust' model will support swift pay-outs
- Level of transparency regulated firms have regarding the beneficial owners of deposits sourced from Deposit Aggregators

Find out more:

<https://www.bankofengland.co.uk/prudential-regulation/letter/2021/april/deposit-aggregators>

## Financial Stability Board (FSB) publishes Peer Review of UK remuneration regime

The PRA, FCA and HM Treasury have worked together to provide the FSB Peer Review team with comprehensive information on the UK's regulatory and supervisory approach to remuneration.

The report highlights that the UK's approach is consistent with FSB standards, recognising the effectiveness of the UK's domestic framework that supports the long-term viability of firms. While implementation of the FSB Principles and Standards was reported to be well advanced, the UK authorities welcomed four targeted recommendations from the review team.

Find out more:

<https://www.fca.org.uk/news/statements/financial-stability-board-publishes-peer-review-uk-remuneration-regime>