

Newsletter

ECB review sees elevated financial stability risks due to uneven impact of pandemic

The uneven economic impact of the pandemic means that financial stability risks are concentrated in specific sectors and countries, often with higher pre-existing vulnerabilities, as concludes the May 2021 Financial Stability Review ("FSR") of the European Central Bank ("ECB").

Find out more:

<https://www.ecb.europa.eu/press/pr/date/2021/html/ecb.pr210519~bd45e646c7.en.html>

The FSR states that disorderly corrections in financial market segments may affect non-banks that have large exposures to corporates with weak fundamentals. Furthermore, the report warned that while banks' asset quality is holding up, profitability is weak and potential for credit risk is expected to worsen.

UK's Data Sharing Code of Practice

HM Government has laid the Data Sharing Code of Practice (the "Code") before Parliament. The Code aims to give businesses and organisations the confidence to share data in a fair, safe and transparent way, and it dispels many of the remaining myths about data sharing. The Code will guide organisations through the practical steps they need to take to share data while protecting people's privacy.

Find out more:

<https://ico.org.uk/for-organisations/data-sharing-a-code-of-practice/>

PRA Feedback Survey 2020

The Prudential Regulation Authority ("PRA") annually seeks input from firms on the effectiveness and quality of its supervisory framework and approach. The survey results analyse firms' responses to identify both good practices and areas where PRA could improve its supervision of firms. The aggregated results for the 2020 survey have been published and feedback highlights include:

- Increasing levels and timeliness of information
- Effectiveness of guidance on operational resilience

Find out more:

Smaller firms being surveyed in 2021 can expect to receive a notification on Wednesday 16 June 2021. The Feedback Survey for small and medium-sized firms is [here](#).

www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/supervision/results-of-the-firm-feedback-survey-2020

'Building financial market resilience' by Jonathan Hall

Mr Jonathan Hall, an external member of the Bank of England's Financial Policy Committee ("FPC"), stated that since its launch eight years ago, and in conjunction with other UK and global regulators, the FPC has made significant progress in increasing the resilience of the banking sector, but vulnerabilities remain in financial markets.

Find out more:

<https://www.bankofengland.co.uk/speech/2021/may/jon-hall-building-financial-market-resilience>

Mr Hall has called for increased resilience through the reduction of systemic risks arising from pro-cyclicality, liquidity mismatch and leverage