

Newsletter

Letter from Andrew Bailey to Chancellor on the remit of the PRA

Find out more:
[The Letter](#)

The letter outlines the responsibilities of the Prudential Regulation Authority (PRA) and describes the PRA's actions since the last remit letter: publishing policy reforms on operational resilience and consulting on the implementation of outstanding Basel III standards. Mr Bailey welcomes the new recommendation that PRA should act to help achieve the net-zero economy objective by 2050, and in response brings to attention initiatives which will ensure PRA-regulated firms can manage the financial risks posed by climate change as well as support the transition to net-zero.

FCA, PRA and BoE Joint Consultation on Diversity and Inclusion to close shortly

Find out more:
[DP2/21 Diversity and inclusion in the financial sector – working together to drive change](#)

The Financial Conduct Authority (FCA), the PRA and the Bank of England (BoE) have prepared policy options for the use of targets for representation, measures to make senior leaders directly accountable for diversity and inclusion in their firms as well as linking remuneration to diversity and inclusion metrics.

Nikhil Rathi, Chief Executive of the FCA expressed his concern that, "lack of diversity and inclusion within firms can weaken the quality of decision-making". He welcomed an open discussion on how the FCA should use its powers to further diversity and inclusion within financial services, for the mutual benefit of firms and their customers. The discussion paper invites views on how any changes could be tailored to specific firm types to ensure that the final measures are proportionate.

The consultation is due to close on the 30 September 2021. We recommend firms to actively engage in the process.

UK's National Security Strategy prioritises Counter Terrorist Financing

Find out more:
[Counter Terrorist Financing](#)

HM treasury has published an update detailing its priority to counter terrorist financing, as part of the UK's security strategy. The HM Treasury aims to reduce the threat of terrorism by making the financial system unsafe and difficult for terrorists to raise and move funds, thereby limiting their movement into, inside and out of the UK.

Research finds Open Banking is transforming Banking across Europe

Find out more:
[Report on Open Banking](#)

A report outlining new research commissioned by the SWIFT institute has found that open banking and PSD2 regulation has prioritised customers, led to greater innovation and lowered barriers to entry for smaller institutions in the banking sector. The report looks at the strategic importance of open banking as well as the historical context for it. The study identifies the need for regulatory action to prevent new forms of intermediation and monopolistic behaviour.