

Newsletter

EBA publishes new guidelines on DGS stress-testing

The European Banking Authority (EBA) has issued revised guidelines on the stress testing framework for Deposit Guarantee Schemes (DGSs). These require all DGSs to test their capabilities at performing all their functions and accessing funding sources as well as stress testing scenarios like pandemic, ICT failures and other events. These revisions should improve depositor's confidence in the ability of their DGS to repay their funds in the event of bank failure. The greater harmonisation of stress test frameworks due to these guidelines will enable a robust EBA review of national DGS tests in 2025. UK regulators including Financial Services Compensation Scheme (FSCS) have sought to systematically enhance operation resilience across the sector. Firms are expected to be prepared for the new operational resilience rules that come into force on 31 March 2022

Find out more:

[EBA Final Report on Guidelines](#)

G7 communiqué on data protection

The Information Commissioner's Office (ICO) has brought together representatives for the Organisation for Economic Cooperation and Development (OECD) and the World Economic Forum (WEF) together with data protection and privacy authorities from G7 countries on a data protection discussion. The wide-ranging discussion covered online tracking, artificial intelligence (AI), pandemic driven innovation, regulatory cooperation, and cross border data transfers. The discussion concluded with agreements to strengthen data protection and privacy collaboration and the sharing of intelligence between the G7 on AI, legislation, greater enforcement cooperation and data protection as well as advocating for innovation that can meet public needs.

Find out more:

[Communiqué](#)

Speech on Basel III implementation

Pablo Hernández de Cos, Chair of the Basel Committee on Banking Supervision and Governor of the Bank of Spain presented a speech at the Eurofi panel on Basel III implementation in the EU. Pablo discussed the initial reforms following the financial crisis and how these have broadly led to a resilient financial system, even in the face of the Covid-19 pandemic as jurisdictions with banks that had the largest capital buffers experienced a less severe impact on their GDP growth. However, the outstanding Basel III reforms can address significant fault lines left in the global banking system.

Find out more:

[Transcript of Pablo Hernández de Cos's Speech](#)
[Pablo Hernández de Cos's Speech](#)

ICAEW criticises uncertain tax treatment rules

The Institute of Chartered Accountants in England and Wales (ICAEW) described the recent HMRC draft legislation on uncertain tax treatment reporting as unnecessarily complicated and cause for confusion. There are concerns over the three remaining triggers for notification of uncertain tax treatment: the first may apply more frequently than HMRC anticipates, the second does not make clear HMRC's position in many instances and the third trigger, for when there is a "substantial possibility" that a court or tribunal would find the tax treatment incorrect, does not provide enough guidance to businesses on how a court could rule on a tax treatment. The ICAEW has highlighted additional issues including the need for more illustrated examples, the definitions of certain terms and further guidance is required on what constitutes a reasonable excuse for notification failure penalties. Firms in scope of Senior Account Officer (SAO) must enhance their notification processes to be compliant with the new regime.

Find out more:

[ICAEW Article](#)

[HMRC Consultation Paper](#)