Newsletter

FCA and BoE sign joint MOU with EMSB

The Financial Conduct Authority (FCA) together with the Bank of England (BoE), have jointly signed a Memorandum of Understanding with the FICC Markets Standards Board (FMSB). In doing so they have set out a high-level framework to facilitate and acknowledge the BoE's continued working with the FMSB in line with delivering the FMSB's primary objectives in promoting fair and effective global wholesale FICC markets as well targeting misconduct and poor business practice by providing guidance to businesses so they can ameliorate their vulnerabilities. The FMSB was highlighted in the Fair and Effective Markets review and will be at the forefront of engendering confidence and trust said Andrew Bailey.

Find out more:
The Memorandum of Understanding

UK welcomes the establishment of the ISSB at COP26

The UK has joined 40 international partners in welcoming the establishment of the IFRS Foundation's new International Sustainability Standards Board (ISSB) at COP26. Formed from the consolidation of the Value Reporting Foundation and Climate Disclosure Standards Board, the ISSB will work to develop baseline global sustainability reporting standards that will be comprehensive and overseen by the public. Already, the IFRS Foundation has published prototype standards, to allow the ISSB to build on existing frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD). Published standards will be subject to public consultations in each corresponding jurisdiction.

Find out more:
HM Treasury Bulletin

EBA consults on machine learning for ratings-based models

The European Banking Authority (EBA) has published a discussion paper on machine learning for internal ratings-based (IRB) models to calculate regulatory capital for credit risk. This paper discusses how these models can work alongside Capital Requirements Regulation (CCR) when used in the context of IRB models as well as identifying the challenges that may be encountered from the use of machine learning in developing CRR-compliant IRB models. The EBA seeks stakeholder's feedback on practical aspects related to the use of machine learning in the context of IRB., with the consultation running until 11 February 2022. A public webinar is scheduled for 16 December 2021.

Find out more:
EBA Consultation

Credit Suisse faces DoJ probe into 2014 Tax Fraud Plea Deal

The Justice Department (DoJ) is ramping up its efforts to fight corporate crime, and Credit Suisse faces additional scrutiny from US federal prosecutors due to the department's new policies. This follows the Deputy Attorney General Lisa O. Monaco's address at ABA's 36th National Institute on White Collar Crime where she discussed the DoJ's new actions and priority areas to be investigated. The DoJ has said it is conducting "ongoing law enforcement activities" into Credit Suisse's compliance with a $2.6 billion foreign tax evasion settlement from 2014. The bank had promised in a plea deal that it would close "any and all accounts" not declared to the Internal Revenue Service, and now this plea deal is being investigated by the DoJ. According to the filing, the cooperation by Credit Suisse is fundamental to the plea deal. Credit Suisse has recently agreed to pay $475 million related to loans in Mozambique. Companies must actively review their compliance programs to disclose and remediate misconduct.

Find out more:
Deputy Attorney General Lisa O. Monaco's address

Contact alikazimi@hansuke.co.uk to discuss your tax integrity and compliance

ICAEW CHARTERED ACCOUNTANTS