

Newsletter

FCA: Banks' financial crime controls needs improving

The Financial Crime Authority (FCA) has published its findings from the recent review of six challenger banks, highlighting key areas that need improvement. FCA found that customer risk assessment framework are underdeveloped, lacking sufficient detail, and worryingly in one instance completely missing. Generally, banks failed to have the required customer due diligence (CDD) procedures at the customer on-boarding stage and failed to consistently apply enhanced due diligence (EDD). The review found inadequate handling of transaction monitoring alerts. The FCA found that suspicious activity reports (SARs) submissions were for very low amounts and needed quality improvements. Overall, there were significant financial crime control failures which should have been made apparent to the FCA. Contact us to discuss your financial crime controls compliance at info@hansuke.co.uk

Find out more:

[FCA review findings](#)

The FATF commits to greater actions for AML/CTF

The Financial Action Task Force (FATF) has reaffirmed its role in taking swift and decisive action to improve the effectiveness of measures to fight money laundering, terrorist and proliferation financing. Members pledged to amend the remaining technical compliance deficiencies and agreed on strategic priorities for the next two years. These include enhancing capabilities to recover criminal assets and to return them more effectively to victims.

Find out more:

[FATF Declaration](#)

PRA publishes consultation paper for fees

The Prudential Regulation Authority (PRA) has published a broad ranging consultation paper covering fees including annual funding requirement, changes to internal model application fees and model maintenance fee, and special project fees. The consultation closes on Friday 20 May 2022 and will be implemented Wednesday 6 July 2022.

Find out more:

[PRA consultation paper](#)

Geopolitical events hamper financial outlook

Klass Knot, Chair of the Financial Stability Board, has written to the G20 highlighting the financial impact of the Russian invasion including large price fluctuations in global markets. According to Knot, the return of high inflation, high debt levels, cyber risks and heightened geopolitical tensions are issues that warrant particular attention. Ms Christine Lagarde, President of the European Central Bank (ECB), has espoused similar views as Knot. In addition, to addressing the possible euro liquidity needs, the ECB will extend the Eurosystem repo facility for central banks until 15 January 2023. In order to bolster the recovery, the ECB will continue to contribute to a digital economy by making cross-border payments faster, cheaper, more transparent and inclusive.

Find out more:

[FSB's letter to G20](#)

[Christine Lagarde statement](#)

EBA publishes annual report on MREL

The European Banking Authority (EBA) have published its annual report on minimum requirements for own funds and eligible liabilities (MREL). The report showed that larger institutions progressed in closing MREL shortfalls, whilst smaller institutions lagged behind.

Find out more:

[EBA's report](#)