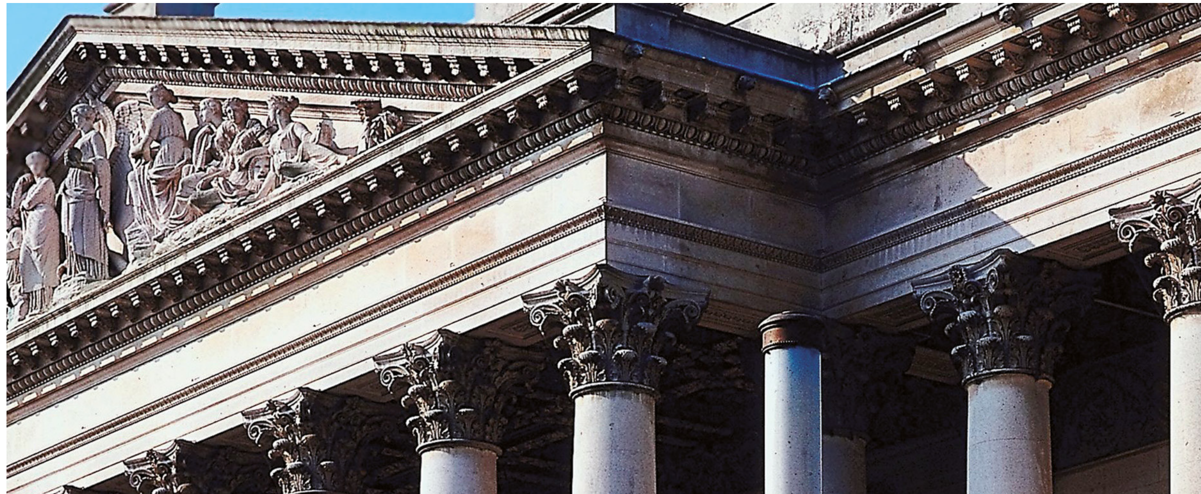
Deloitte.

EMEA/Financial Services
September 2015

Risk and Regulation Monthly



September saw the publication of the final technical standards under the **Markets in Financial Instruments Directive II/Regulation (MiFID II)** and the long awaited **Capital Markets Union (CMU) action plan**, including a call for evidence on the cumulative impact of regulation.

This note is produced for information only on a best efforts basis, and does not constitute advice of any kind.

Capital (including stress testing)

The Basel Committee on Banking Supervision (BCBS) and the *European Banking Authority* (EBA) issued the results of their **Basel III monitoring exercises**. The BCBS found that banks were making good progress towards compliance with all major Basel III requirements. As of end-2014, all banks in the sample met the minimum 4.5% common equity tier 1 capital (CET1) ratio and the vast majority met the 7% CET1 ratio (which incorporates the countercyclical capital buffer). Moreover, the aggregate shortfall against the leverage ratio requirements had declined significantly since the last exercise, while compliance with the liquidity coverage ratio and net stable funding ratio had also improved. The EBA produced equivalent figures for European banks.

The BCBS *published* the responses to its consultation on new rules on **interest rate risk in the banking book** (IRRBB). A number of respondents were deeply critical of the proposals and raised concerns over the introduction of a Pillar 1 requirement to address interest rate risk (IRR). Some responses suggested that IRR should be managed via a Pillar 2 framework using internal models.

In comments which echoed those made by various other institutions, the American Bankers' Association warned that the proposals "would do more harm than good," while the British Bankers' Association suggested "a one size fits all approach [would] ignore the complexities of implementing a standardised model across heterogeneous markets, banks and products."

The Bank of England *announced* that the results of the 2015 **UK stress testing exercise** will be published on 1 December. It has received firms' initial stress testing submissions and is currently analysing the results, which will subsequently be discussed by the Financial Policy Committee (FPC) and the Prudential Regulation Authority (PRA) Board. The final decisions on the results will be made by both committees on 30 November, and will be relayed to participating firms the same day.

The Bank for International Settlement (BIS) *published* a working paper examining the **impact of higher bank capital requirements on mortgage pricing**. The findings, which are based on the first application of the Countercyclical Capital Buffer (CCB) in Switzerland, suggested that it achieved its intended purpose by shifting the supply of mortgages to more resilient banks, through raising prices at relatively capital-constrained banks. Banks were not discouraged from lending to higher risk borrowers as a result of higher capital requirements.

ECRS EMEA Centre for Regulatory Strategy

The EBA *consulted* on guidelines harmonising the definition of default under the **Capital Requirements Regulation** (CRR). The draft guidelines cover aspects such as the days past due criterion for default identification, indications of unlikeliness to pay, conditions for the return to non-defaulted status, and the application of default in a banking group. Harmonised terminology is expected to improve consistency in the application of the definition of default and increase comparability of risk estimates and own funds requirements.

As part of the CMU action plan (see below), the European Commission *published* a proposed **amendment to the CRR**. The amendment is designed to incorporate the regime for simple, transparent and standard (STS) securitisations (also published under the action plan) into the capital framework and amend the treatment of securitisations for banks and investment firms.

The Commission published an amendment to the *Solvency II delegated act* (and *annex*) as part of the **CMU action plan**. Changes included adding qualifying infrastructure investments as a separate asset category with a reduced risk calibration, ensuring European long-term investment funds (ELTIFs) have the same capital charge as equities traded on a regulated market (to align the treatment with European venture capital and social entrepreneurship funds) and treating equities traded on a multilateral trading facility (MTF) the same as those traded on a regulated market. Earlier, the European Insurance and Occupational Pensions Authority (EIOPA) had *published* a final report and technical advice to the European Commission on infrastructure investment risk categories under **Solvency II**. It recommended relaxing capital requirements for infrastructure investments, both for bonds and loans, and equities that met certain criteria (e.g. investments made directly in an infrastructure project for an entity whose sole function is to own, develop, finance and operate infrastructure assets).

EIOPA *published* an opinion on the group solvency calculation in the context of third country equivalence under **Solvency II.** National Competent Authorities (NCAs) should apply the higher of home and host capital requirements; consider the availability of eligible own funds at group level; and ensure groups form an economic view of the risks inherent in the business conducted in the third country.

Gabriel Bernardino, EIOPA chairman, *spoke* about EIOPA's approach to material **unintended consequences of Solvency II implementation**; particularly those that have a negative impact on consumers. He gave several examples of issues that EIOPA intends to monitor: investment behaviour of insurers; product availability, particularly in the current low interest rate environment; and adequate emphasis on the implementation of the Own Risk and Solvency Assessment (ORSA) and its potential to reinforce a strong risk culture.

The PRA *published* a **Solvency II** Directors' update from Andrew Bulley, director of life insurance, and Chris Moulder, director of general insurance. The PRA confirmed the review of applications for approvals under Solvency II is a priority as the implementation date is three months away: it will shortly issue revised instructions on the need to split internal model outputs by line of business. **Sam Woods**, PRA executive director of insurance supervision, also *wrote* to firms on key regulatory approvals for Solvency II. Matching adjustment and internal model decisions will be issued in early November and early December, respectively; and the PRA will write to firms informing them that they are considering applying capital add-ons.

Liquidity

The PRA *published* a set of clarifications on **Liquidity Coverage Ratio (LCR) reporting** for areas of inconsistency identified in an earlier survey. These covered the classification of certain product types as retail deposits and what information should be reported as off-balance sheet items.

The Financial Conduct Authority (FCA) *modified* the Prudential Sourcebook for Investment Firms (IFPRU) to exempt certain firms from compliance with specific **liquidity reporting requirements in the CRR**, until it receives clarity on how EU legislation will apply the LCR to investment firms. This follows the Commission decision that the LCR rules in the Delegated Act would not apply to investment firms when it comes into force. As a consequence the domestic liquidity regime will not be discontinued as had previously been planned.

The EBA *published* an opinion disagreeing with the Commission's proposed amendment to remove the maturity ladder from the implementing technical standards (ITS) on **additional liquidity monitoring metrics**. Although the EBA shared some of the concerns expressed by the Commission, it objected to the view that the maturity ladder needed to be adapted in light of the Delegated Act on the LCR, as the maturity ladder and the LCR were intended for different assessments of liquidity. The EBA agreed to change the date of application of the rules from July 2015 to January 2016 in order to allow the industry sufficient time for preparation.

Governance and risk management (including remuneration)

Sam Woods, PRA executive director, *wrote* to all insurance firms on the implementation of the **Senior Insurance Managers Regime** (SIMR), including key dates. He said that SIMR is a "natural extension" of Solvency II since Pillar 2 introduces the concept of "Key Function Holders" (KFHs) for functions that could potentially lead to significant losses in the firm or a failure in the ability pf the firm to meet its policyholder obligations. The PRA wants to streamline SIMR for non-Solvency II firms by taking a proportionate approach.

The EBA *reported* on **remuneration practices** across the EU, and included aggregated data on the remuneration of staff who received €1mn or more in 2013. The number of high earners had decreased to 3,178, from 3,530 the previous year. The report also found that remuneration practices within institutions were not sufficiently harmonised: for example the application of deferral and pay-out in instruments differed significantly across member states and institutions.

Julie Dickson, Member of the ECB's Supervisory Board, *spoke* about the Single Supervisory Mechanism's (SSM) supervision of **behaviour and culture in financial institutions**. She highlighted the SSM's thematic review on risk governance and risk culture at the Board level. The thematic review was not intended to provide a complete picture of behaviour and culture, but she expected such assessments to go deeper in future.

The G20 and Organisation for Economic Co-operation and Development *updated* their principles of **corporate governance**. The principles make various recommendations to national policymakers on shareholder rights, executive remuneration, financial disclosure and the behaviour of institutional investors. The recommendations of earlier versions have largely been maintained, though changes have been made to reflect market developments and new G20 priorities to support "investment as a driver of growth", and financial inclusion.

The PRA *consulted* on rules to implement the audit committee requirements of the Statutory Audit Directive. It proposes to extend the requirements to Lloyd's managing agents and UK-designated investment firms.

Conduct of Business (including MiFID)

The European Securities and Markets Authority (ESMA) *published* its long-awaited final technical standards for **MiFID II**. These made changes to best execution; algorithmic trading; and the rules on liquidity assessments for non-equity instruments, including using an instrument-by-instrument approach to determine liquidity. The rules on dealing commissions, costs and charges, and thresholds for defining systematic internalisers (SIs) will be specified in the Delegated Acts to be released later this year. ESMA also *consulted* on draft ITS regarding trading suspensions, data service providers and derivatives reporting under MiFID II. The ITS include templates on the application form to be submitted by firms wishing to provide data reporting services, and the position reports on commodity derivatives. For additional information please see our *blog*.

The FCA *released* the minutes of a roundtable meeting on **MiFID II** implementation. It reported that due to a delay in the adoption of the MiFID II Delegated Acts and uncertainty over the legislative timetable it may delay the planned December 2015 consultation on handbook changes, either in part or in full.

ESMA *published* its final technical standards on the **Market Abuse Regulation** (MAR) including specific requirements for firms to report suspicious orders and transactions, rules for public disclosure of insider information, and specific arrangements on how to present investment recommendations.

ESMA *published* its final draft technical standards under the **Central Securities Depository Regulation** (CSDR). The regulatory technical standards (RTS) and ITS include requirements on cooperation among authorities, the recognition of third-country central securities depositories (CSDs), non-discriminatory access by market participants and market infrastructure, and how to report "internalised settlements". ESMA delayed delivery of the RTS on settlement discipline, including on the mandatory buy-in process.

The FCA *published* a policy statement on **consumer credit** including credit broking, lending (including guarantor lending), financial promotions, and debt. It finalised the majority of changes proposed in the consultation but amended the scope of the proposals on guarantor lending and financial promotions.

The FCA *published* a policy statement on **general insurance add-ons** including final rules on banning opt-out selling in financial services and supporting decision-making for add-on buyers. The ban will apply to all add-on products sold alongside a regulated financial product. In recognising cases where the ban could lead to harm or inconvenience for customers, it will not apply in certain situations such as free products; unbreakable bundles in which two or more products are sold together and the customer does not have an option to choose which add-ons are included; options selected on a price comparison website; and overdrafts. The FCA proposed firms take steps to receive consent to the renewal of add-ons by customers previously "defaulted into" the purchase.

Steven Maijoor, Chair of ESMA, *spoke* on its work and achievements over the past 12 months to the Economic and Monetary Affairs Committee of the European Parliament, pointing out that the allocation of resources would shift away from single rulebook activities and towards **supervisory convergence**. As Chair of the European Supervisory Authorities (ESAs) Joint Committee, he also spoke about the *overall work of the ESAs*, which largely focused on consumer protection and the assessment of cross-sectoral risk, and the specific *regulatory technical standards under Packaged Retail and Insurance-based Investment Products (PRIIPs)*, including the type of information that would be published as part of the Key Information Document (KID).

Payments UK, the trade group for the UK payments industry, *published* a voluntary **Code of Conduct for Indirect Access Providers** (IAPs). The aim is to improve the experience of Indirect Payment Service Providers (Indirect PSPs) by clearly setting out the responsibilities of IAPs that have subscribed to the Code with respect to the following UK payment systems: BACS; Faster Payment Service; CHAPS; Cheque and Credit Clearing; and LINK. The Code sets out standards of best practice for the commercial arrangements between IAPs and Indirect PSPs and addresses some of the concerns identified by the Payment Systems Regulator (PSR). The Code has been launched on an interim basis and will be subject to formal consultation in late 2015.

Christopher Woolard, Director of Strategy and Competition at the FCA, *spoke* about the **role of regulation in the UK mortgage market**. He identified affordable housing, demographic change and household indebtedness as key mortgage challenges and noted the role of regulation in promoting competition as a potential response. The FCA would review barriers to competition in the mortgage market and would launch a market study in 2016.

The FCA *published* its latest Market Watch newsletter on **market conduct and transaction reporting issues**. It included the key findings of the Commodities Trading Thematic Review which assessed the adequacy of 12 firms' front office and market abuse controls. Amongst the findings, the FCA noted that the effectiveness of controls, management and governance structures varied widely; and that most firms had not conducted a Code of Market Abuse Conduct risk assessment and only 2 of them had submitted suspicious transactions reports.

The European Commission *published* a roadmap in respect of a planned green paper on **retail financial services and insurance**, focusing on the obstacles consumers face. This initiative, which complements the European Commission's work on CMU (see below), will assess the gaps in existing legislation and ensure consistent implementation of the rules in the EU.

The FCA *fined* Craig McNeil, the former finance director of Keydata, £350,000 and prohibited him from holding significant influence functions. During 2009 Mr McNeil failed to disclose information regarding the failure of SLS – an SPV issuing bonds underpinning Keydata's products – to make payments due to Keydata, which subsequently went into administration. He also failed to act with due skill, care and diligence by failing to take sufficient steps to inform himself about the transaction or to understand the risks that were involved.

The FCA *published* its latest **complaints data**. Although overall complaints decreased by 2.1% compared to the previous half-year as a result of a decrease in PPI-related claims, banking and credit card complaints increased by 21.8%.

Crisis management (including special resolution, systemically important firms, and business continuity)

The *PRA* and *FCA* consulted on their approaches to the implementation of **ring-fencing transfer schemes** (RFTS) to facilitate firms to restructure their business to comply with ring-fencing requirements. The PRA paper covered the overall RFTS approval process, the appointment and suitability of "skilled persons" to write a "scheme report" assessing the impact and viability of the proposed transfer, and the scope of the assessment that the skilled person must undertake. The FCA set out its general approach to ring-fencing and RFTS, including clarification regarding applications for authorisations.

The Financial Stability Board (FSB), BCBS, Committee on Payments and Market Infrastructure (CPMI) and the International Organisation of Securities Commissions (IOSCO) *reported* on their work to improve the **resilience, recovery planning and resolvability of central counterparties** (CCPs) against their 2015 *work plan*. Key priorities included developing a framework for consistent stress testing of CCPs, more granular standards on recovery and resolution planning, and conducting an assessment of CCPs' interdependencies. Follow up reports are expected to be published by mid-2016.

The FPC *released* a statement following its **quarterly policy meeting**. The main risks to UK financial stability included market volatility and concerns around market liquidity, and risks such as cyber, misconduct; and a slowdown in China. It decided against taking immediate action on buy-to-let lending, but said underwriting standards should be monitored systematically. In addition, further work on investment funds was commissioned. Overall, the "resilience of the financial system has continued to improve, [but] downside risks have risen."

The Joint Committee of the ESAs *reported* on the risks and **vulnerabilities in the EU financial system**, such as those resulting from low interest rates, search for yield, mispricing of assets, and low profitability. The main risks included uncertainty around Greece's financial situation, financial market volatility and structural concerns about emerging market economies, and reductions in market liquidity. Further efforts were needed by firms to clean up balance sheets and assess the sustainability of business models.

ESMA *reported* on **trends, risks and vulnerabilities in the EU securities market**, and *published* a separate risk dashboard. Market risk and credit risk are considered very high with liquidity risk expected to intensify. The report noted the key sources of risk remain the improved but uneven economic prospects across the EU, ultra-low interest rates, fiscal instability in the euro area, and weakness in how markets are functioning. Systemic stress increased at the end of the second quarter due to fluctuations in bond and money markets.

Regulatory perimeter

The European Commission *published* its **CMU action plan**, which included 33 initiatives over the next four years. The aim of the action plan is to develop a framework for a single EU market in capital which supports economic growth and financial stability. The initiatives broadly relate to new legislative proposals, revision and calibration of existing rules, studies to understand the cumulative impact of regulation on the financial services industry, and institutional measures. The Commission also *published* a call for evidence on the cumulative impact of regulation on the financial services industry. For additional information please see our *blog*.

Alongside the CMU action plan, the Commission *published* a consultation on EU **covered bonds**. The consultation considered perceived weaknesses of covered bond regimes across the EU with a view to proposing measures, including the harmonisation of the national regimes, to support covered bond issuance and markets.

Steven Maijoor, ESMA's chair, *spoke* about the development of an **OTC Derivatives Union** and the CMU. The European Market Infrastructure Regulation (EMIR) remains high on ESMA's agenda with the focus moving away from rules-making to supervisory convergence. ESMA has also agreed with NCAs to increase supervision of reporting standards with a view to improving the quality of transaction reports.

The FCA *consulted* on proposals relating to the **regulation of authorised investment funds**, including UCITS V (Undertakings for Collective Investment in Transferable Securities) and ELTIFs. The proposed rules will transpose UCITS V and ensure the effective application of the EU Regulation introducing ELTIFs. The FCA does not intend to add to the rule changes required by UCITS V with the exception of the prudential treatment of depositories that are not central banks or credit institutions.

IOSCO reported mixed progress in implementing its recommended **policy measures** set out in 2012 which related to *money market funds* (MMF) and *incentive alignment in securitisation*. Of the five jurisdictions (the U.S., France, Luxembourg, Ireland and China) which together accounted for almost 90% of global assets under management in MMFs, only the U.S. reported full implementation, with even less progress for jurisdictions with smaller MMF markets. Five of the twenty-five jurisdictions reviewed had fully implemented all measures relating to IOSCO's incentive alignment recommendations, though six had made no progress at all.

The Financial Markets Law Committee (FMLC) and the Committee on Capital Markets Regulation (CCMR) *reported* on the legal uncertainty regarding the **recognition and supervision of US CCPs under EMIR**. The report concluded that an equivalence decision should be granted by the European Commission given that EU and US CCP margin requirements result in "broadly equivalent margin levels" and suggested a joint supervisory framework by EU and US regulators to avoid overlaps and conflicts.

The CPMI and IOSCO *consulted* on a report on the **harmonisation of key OTC derivative data elements** with the aim to developing guidance to authorities on their definitions. The consultation covers data elements common to multiple jurisdictions and applicable across asset classes. CPMI and IOSCO will issue further reports on global Unique Product Identifiers (UPIs) and a second batch of data elements.

The CPMI and World Bank Group *consulted* on the **payment aspects of financial inclusion**. The draft report recommended that all individuals and small businesses should have access to a transaction account to perform most of their payment needs and safely store value. The account should be operated by a regulated payment service provider and serve as a gateway to other financial services. "Guiding principles" to achieve those objectives included commitment from public and private sector organisations to broaden financial inclusion; robust and safe financial and IT infrastructures; and the provision of transaction accounts and payment products "at little or no cost."

The FSB *reported* on the **liability structures of corporates** and the implications for financial stability. Non-financial corporate debt has increased in numerous countries in recent years, particularly in emerging markets. Due to the potential risks posed by liability structure distortions in corporate balance sheets, the FSB will conduct further research and (if necessary) consider policy options. Over the next year, the FSB will analyse the factors driving corporate liability decisions; assess countries' actions to address the debt-equity tax bias; and review the use of macro-prudential tools to counter these risks.

Greg Medcraft, Chair of IOSCO and the Australian Securities and Investments Commission, *spoke* about the impact of **digital disruption and financial innovation** on the future of capital markets, and specifically about the challenges and opportunities arising from blockchain technology (a shared "electronic ledger of digital events" containing a growing list of data records). There was a need to review the current regulatory framework, analyse how new developments fit into the framework and identify future changes that may be required.

Rethinking the domestic and international architecture for regulation

Danièle Nouy, Chair of the ECB's Supervisory Board, *spoke* about **safety and progress in banking supervision**, focusing on the innovative aspects of the SSM as an organisation. She stressed the ability of the SSM to ensure consistent implementation of rules across 19 Member States, using the example of its work to harmonise options and national discretions, but also noted that the SSM can only be an effective "provider of safety and progress if its actions are supported by structural initiatives at the European and national level".

Julie Dickson, Member of the ECB's Supervisory Board, *spoke* about its **supervisory functions** under the SSM. She noted the importance of consistent application of the rules, and highlighted work to support that goal in areas such as the unified application of the 2015 Supervisory Review and Evaluation Process (SREP) methodology, a consultation to harmonise over 150 options and national discretions, and a targeted review of banks' internal models, which would be complex and take several years to complete.

IOSCO *published* the final report of its task force on **cross-border regulation** in which it detailed the tools that its members have adopted to address cross-border regulatory issues. These fell into three categories: national treatment, recognition, and passporting. It also reported that the industry is concerned about conflicts of laws, regulatory arbitrage and the application of multiple sets of differing regulatory requirements.

The ECB *published* a new Eurosystem **oversight policy framework for payments and settlements**. The framework provides an overview of the existing set of tools and instruments that the Eurosystem employs and seeks to strengthen the transparency of its oversight polices. The Eurosystem deems payment instruments to be included in its definition of central bank oversight "whereby the objectives of safety and efficiency are promoted by monitoring existing and planned systems, assessing them against these objectives and, where necessary, inducing change."

The PRA *reported* on the impact of **climate change on the UK insurance sector**. The Climate Change Adaptation Report provides a framework for considering the risks arising from climate change through the lens of the PRA's statutory objectives and takes the form of an initial risk assessment for the UK insurance sector. The report also discussed climate change-related opportunities such as renewable energy project insurance, supporting resilience to climate change through risk awareness and risk transfer, investments in 'green bonds' and providing financial sector leadership on climate change. Mark Carney, Governor of the Bank of England, *spoke* about the report and the effects on financial stability more widely saying that "while the sector is well-placed to respond in the near-term" the future was not necessarily secure. General insurers were the most directly exposed to losses stemming from this risk.

The FSB *released* a statement to report on progress against its **work plan**. It provided an update on its work to identify risks associated with market liquidity and asset management activities and noted that subsequent to further research, it could (if necessary) develop policy recommendations in the first half of 2016. As part of its work on shadow banking, the FSB had reviewed its latest annual global monitoring exercise, the results of which are expected to be published by November. The statement also summarised the FSB's recent work in other areas, including ending too-big-to-fail, misconduct risk and disclosure.

The FCA published its new **approach to "classification of firms for supervision"**, which will now be categorised as either *"fixed portfolio"* or *"flexible portfolio"* according to size, market presence and customer footprint. Fixed portfolio firms require the highest level of supervision, with the allocation of a named individual supervisor. The majority of firms are classified as flexible, and are supervised through a combination of market-based thematic work, engagement and education activity.

HM Treasury *published* guidance for consumer bodies seeking to become "super-complainants" to the **PSR**. The Treasury intends to designate four consumer groups as super-complainants to the PSR: the Citizens Advice Bureaux, the Consumers Association, the Consumer Council Northern Ireland, and the Federation of Small Businesses. The Treasury has also invited Age UK to apply to become a super-complainant. Designated bodies have the right to make a super-complaint to the PSR when they consider features of UK payment systems are significantly damaging the interests of consumers; the PSR will have a duty to respond within 90 days.

The PRA *clarified* that its power to commission **reports by skilled persons** is a supervisory – rather than enforcement – tool. The PRA also encouraged firms to engage in dialogue with their supervisors before commissioning any external review of issues of supervisory interest, in order to avoid incurring unnecessary costs where the PRA also makes use of skilled persons.

Disclosure, valuation and accounting

The FSB *reported* significant progress in implementing its **data gaps initiative**. Following the financial crisis, it identified a number of areas (including cross-border financial linkages) where available information was insufficient to support an appropriate assessment of risks. However, data was now increasingly available to support financial stability analysis and macroprudential policy-making. The G20 subsequently endorsed the report's proposal for a five-year second phase, with more specific objectives to promote the collection of higher-quality, more granular statistics for policy use. As part of this second phase, the FSB will focus on data gaps involving foreign currency exposures (on which it also *reported)* in order to better assess cross-border risks.

The Legal Entity Identifier (LEI) Regulatory Oversight Committee *consulted* on the process for **collecting data on direct and ultimate parents** of legal entities in the global LEI system. The information on the parent, a prerequisite for an LEI to be issued, would be freely available to public authorities and market participants.

Information security and data privacy

The Hedge Fund Standards Board (HFSB) *published* a memo on **cyber security** for hedge fund managers. The memo provides a brief overview of existing high-level cyber risk management tools, which hedge fund managers (and others) can use to develop their tailored approach to cyber security, a framework to identify a firm's key digital assets, a list of practical short-term action points and an overview of cyber security projects to enhance a firm's resilience, including the development of an Incident Response Plan. It focuses on "what regulators want to see" in terms of cyber risk preparedness, including an overview of regulatory requirements, guidance and approaches to cyber security for a number of key jurisdictions.

Financial crime

The Government *announced* a **review of anti-money laundering and terrorist financing rules** as part of its Cutting Red Tape programme. The review would look at legislation and activity carried out under The Money Laundering Rules 2007 by national supervisors, including the FCA and HM Revenue and Customs. Businesses were encouraged to come forward with evidence, including whether current guidance meets business needs, the proportionality of the supervisory approach, and good practices that could be replicated elsewhere.

The Wolfsberg Group of International Financial Institutions *prepared* a set of frequently asked questions on the key aspects of **financial crime risk assessments**. The answers, based on the Group's views on current best practice, include guidance on the frequency and organisation of enterprise-wide risk assessments, allocation of responsibility to undertake a risk assessment, and the methodology and IT systems that can be used to do so.

The International Securities Services Association (ISSA) *adopted* its **financial crime compliance principles** for securities custody and settlement in a bid to protect market participants from criminal activities. The principles covered conduct risks including measures against money laundering, terrorist financing, market abuse, corruption, fraud, and sanctions breaches.

Other

The FCA *launched* a new **Financial Services Register** to improve access to information on FCA and PRA regulated firms, individuals and other bodies by looking up its name, reference code or postcode. Additional details on the permissions a firm has and whether it is covered by the Financial Ombudsman Service (FOS) and the Financial Services Compensation Scheme (FSCS) is now included. For the first time, unauthorised firms that have been reported to the FCA will be included and flagged with a warning symbol.

The FCA *made* its final **appointment** to the Executive Committee with Georgina Philippou becoming Chief Operating Officer. In addition, the FCA and PSR *appointed* new members to four decision-making committees: the FCA's Regulatory Decisions Committee and Competition Decisions Committee and the PSR's Enforcement Decisions Committee and Competition Decisions Committee.

ESMA *appointed* Steven Maijoor and Verena Ross as Chair and Executive Director respectively for a second term (five years). The decision to extend Steven Maijoor's term is subject to confirmation by the European Parliament.

Similarly, the EBA *appointed* Andrea Enria and Adam Farkas as Chair and Executive Director respectively for a second term (five years). The decision to extend Mr Enria's term is subject to confirmation by the European Parliament.

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Designed and produced by The Creative Studio at Deloitte, London. J2250