

Risk and Regulation Monthly Cover Note

August 2016

The FSB reported on the implementation of **post-crisis regulatory reforms**, finding that ongoing attention was merited on market liquidity, emerging and developing markets, and maintenance of an open and integrated financial system. On **Basel III implementation**, the BCBS found that challenges remained in the implementation of margin requirements for non-centrally cleared derivatives and adherence to the revised Pillar 3 framework. IOSCO and FSB also published documents on **CCP resilience and resolution**.

To maintain UK financial stability, the FPC decided that banks can exclude central bank reserves from the total exposure measure in their calculation of the **leverage ratio**. The PRA set out its expectations on how the **remuneration requirements in the Solvency II Regulation** should apply in the UK, focusing on the identification of Solvency II staff, deferrals, and performance measurement.

The FCA proposed a 2019 **deadline on new PPI complaints** and a campaign to raise consumer awareness in 2017. It also published final rules to increase transparency and engagement at **renewal in general insurance markets**.

The CMA set out final remedies to promote **competition in retail banking**, requiring the largest banks to implement “open banking” by 2018, which will enable customers to manage their accounts with multiple providers through a single digital “app”.

What's in the pipeline?

The FCA is expected to publish its third consultation on **MiFID II** implementation and the MiFID II Delegated Acts will start to be published in the Official Journal of the EU over the coming months, following scrutiny in the European Parliament and Council. More detail will emerge on how and whether the **PRIIPs** RTS will be redrafted and on the possibility of a delay to the PRIIPs application date.

Further work is expected in the months ahead on a European Commission legislative proposal **amending CRD IV/CRR** to complete the Basel III agenda, to incorporate aspects of “Basel IV”, and to implement Total Loss Absorbing Capacity (TLAC) in the EU. Meanwhile, the Basel Committee continues to work through a variety of proposals to amend the **calculation of risk-weighted assets** and ultimately to reach a decision on the overall calibration of the capital framework, including risk-weighted asset floors.



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Deloitte LLP is the United Kingdom member firm of DTTL.

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Deloitte LLP would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte LLP accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

© 2016 Deloitte LLP. All rights reserved.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Tel: +44 (0) 20 7936 3000
Fax: +44 (0) 20 7583 1198.

Designed and produced by The Creative Studio at Deloitte, London. J9392