



Contents

CONTENTS
HIGHLIGHTS
BREXIT
BANKING
CAPITAL MARKETS
INSURANCE
OTHER
GLOSSARY
CONTACTS

Highlights

July saw a number of important regulatory changes and announcements.

The Bank of England (BoE) published its final rules on resolution assessment and public disclosure by firms. These rules will see UK banks with more than £50bn in retail deposits having to publish “living wills” from 2021, alongside an assessment from the BoE. These assessments will be published every two years and will set out how the BoE thinks these banks can be safely wound down in the event of crisis, without recourse to a taxpayer bailout.

The FCA published a consultation on its Guidance on vulnerable customers aimed at providing greater clarity for firms on its expectations as to the fair treatment of vulnerable customers and practical guidance on translating those expectations into action. The Guidance makes clear that the FCA expects firms to embed the fair treatment of vulnerable customers into their culture at all levels and makes explicit the FCA’s intention to hold firms to account where they are judged not to be doing enough to meet the expectations set out in the Guidance.

The EBA published its final progress report on the implementation of its IRB roadmap. The roadmap, first set out by the EBA in February 2016, seeks to address concerns about undue variability in the application of internal models by ensuring comparability of the estimates of risk parameters, while retaining risk sensitivity. This progress report saw the EBA extend the deadline for introducing changes in the ratings systems by one year to the end-2021, and the deadline for implementation of changes in the loss given default (LGD) and conversion factors models for low default portfolios to end-2023 at the latest. The progress report also marked the end of the EBA’s roadmap process and it does not plan to make any further revisions to its guidance on internal models.

The Basel Committee and IOSCO also agreed to a one year extension of the final implementation phase of the margin requirements for non-centrally cleared derivatives, which will mean the final implementation phase will now take place on 1st September 2021. The Committee and IOSCO also agreed to introduce an additional implementation phase whereby as of 1 September 2020 covered entities with an average aggregate notional amount of non-centrally cleared derivatives greater than €50 billion will be subject to the requirements.

Brexit	
UK	
FCA	
<ul style="list-style-type: none"> • Consultation on 'Draft technical standards on the content and format of STS notifications under the onshored Securitisation Regulation' 	Link
<ul style="list-style-type: none"> • Announcement on the extension of its use of the temporary transitional power 	Link
PRA	
<ul style="list-style-type: none"> • Consultation on 'UK withdrawal from the EU: Changes following extension of Article 50' 	Link

[Back to top](#)

Banking	
Prudential	
UK	
BoE	
<ul style="list-style-type: none"> • Final rules on resolution assessment and public disclosure by firms 	Link
<ul style="list-style-type: none"> • Staff working paper on system-wide stress simulation 	Link
<ul style="list-style-type: none"> • Financial Stability Report and Record - July 2019 	Link
<ul style="list-style-type: none"> • Speech by Miles Bake, Head of Legal, Enforcement & Litigation Division, on the PRA's approach to enforcement 	Link
PRA	
<ul style="list-style-type: none"> • Consultation on treatment of model limitations in banks' internal models 	Link
EU	
EBA	
<ul style="list-style-type: none"> • Press release on the EBA's Basel III assessment 	Link
<ul style="list-style-type: none"> • Preliminary presentation on response to the Commission's call for advice on Basel III implementation 	Link
<ul style="list-style-type: none"> • Report on progress made on EBA roadmap to repair IRB models 	Link
<ul style="list-style-type: none"> • Report on the monitoring of the Liquidity Coverage Ratio's implementation in the EU 	Link
<ul style="list-style-type: none"> • Amended implementing technical standards (ITS) on supervisory reporting with regard to financial information (FINREP) 	Link
<ul style="list-style-type: none"> • Updated Implementing Technical Standards (ITS) package on benchmarking of internal approaches for the 2020 benchmarking exercise 	Link
<ul style="list-style-type: none"> • Roadmap on IFRS 9 deliverables and launch of IFRS 9 benchmarking exercise 	Link

<ul style="list-style-type: none"> • Report from the ESAs on the cross-border supervision of retail financial services 	Link
<ul style="list-style-type: none"> • Consultation on the methodology to determine the weighted average maturity of contractual payments due under the tranche of a securitisation transaction 	Link
ECB SSM	
<ul style="list-style-type: none"> • Credit risk, market risk, and counterparty credit risk chapters of the ECB guide to internal models 	Link
<ul style="list-style-type: none"> • Presentation on profitability and consolidation in the European banking sector 	Link
SRB	
<ul style="list-style-type: none"> • Speech by Elke König, Chair of the SRB, on implementation of the SRB's policy framework and obstacles to resolution 	Link
<ul style="list-style-type: none"> • 2018 Annual Report 	Link
<ul style="list-style-type: none"> • Announcement on the growth of the Single Resolution Fund 	Link
<ul style="list-style-type: none"> • Document outlining the SRB's approach to Public Interest Assessments 	Link
Int'l	
BIS	
<ul style="list-style-type: none"> • Speech by Randal K Quarles, Vice Chair for Supervision of the Board of Governors of Federal Reserve System, on stress testing 	Link
<ul style="list-style-type: none"> • Discussion Paper on proportionality under Pillar 2 of the Basel framework 	Link
<ul style="list-style-type: none"> • Announcement that the BIS will set up an Innovation Hub for central banks 	Link
Conduct	
UK	
FCA	
<ul style="list-style-type: none"> • Consultation on the FCA's Guidance for firms on the fair treatment of vulnerable customers 	Link
<ul style="list-style-type: none"> • Review of Business Continuity Planning among small and medium sized banks 	Link

[Back to top](#)

Capital Markets	
Prudential	
EU	
ECB	
<ul style="list-style-type: none"> • Interview with Benoît Cœuré, Member of the Executive Board of the ECB, on current interest rate policy and risks in the financial sector 	Link
<ul style="list-style-type: none"> • Announcement on the publication time for the euro short-term rate (€STR) 	Link

Int'l	
BIS	
<ul style="list-style-type: none"> Revised framework for margin requirements for non-centrally cleared derivatives 	Link
<ul style="list-style-type: none"> BCBS and IOSCO statement on the final implementation phase of the margin requirements for non-centrally cleared derivatives 	Link
Conduct	
UK	
FCA	
<ul style="list-style-type: none"> Speech by Andrew Bailey, Chief Executive of the FCA, on LIBOR Transition 	Link
<ul style="list-style-type: none"> Dear CEO letter on wealth management and stockbroking supervision strategy 	Link
<ul style="list-style-type: none"> Annual Report and Accounts 2018/19 	Link
EU	
ESMA	
<ul style="list-style-type: none"> Consultation on disclosure guidelines under the Prospectus Regulation 	Link
<ul style="list-style-type: none"> Announced authorisation of EURIBOR under the Benchmark Regulation 	Link
<ul style="list-style-type: none"> Consultation on cost of market data and consolidated tape (CT) 	Link
<ul style="list-style-type: none"> Consultation on guidelines on MiFID II compliance function requirements 	Link
<ul style="list-style-type: none"> Annual peer review report on EU CCPs supervision 	Link
<ul style="list-style-type: none"> Statement on MiFIR implementation considerations regarding the trading obligation following the entry into force of EMIR Refit 	Link
<ul style="list-style-type: none"> Update to the register of derivatives to be traded on-venue under MiFIR 	Link
<ul style="list-style-type: none"> Consultation on draft guidelines on performance fees under the UCITS Directive. 	Link
<ul style="list-style-type: none"> Announcement that ESMA will not renew its product intervention measure relating to binary options 	Link
International	
IOSCO	
<ul style="list-style-type: none"> Statement on communication and outreach to inform relevant stakeholders regarding benchmarks transition 	Link

[Back to top](#)

Insurance	
Prudential	
UK	
BoE	
<ul style="list-style-type: none"> Letter from David Rule, Executive Director, Insurance Supervision, on Solvency II remuneration requirements and the PRA's findings and expectations 	Link

<ul style="list-style-type: none"> • Consultation on 'Solvency II: Group availability of subordinated liabilities and preference shares' 	Link
EU	
EIOPA	
<ul style="list-style-type: none"> • Consultation on the Harmonisation of National Insurance Guarantee Schemes (IGS's) in the context of the Solvency II Review 	Link
<ul style="list-style-type: none"> • Consultation on increased proportionality of supervisory reporting and public disclosure, in the context of the Solvency II review 	Link
<ul style="list-style-type: none"> • Discussion Paper on 'Methodological Principles of Insurance Stress Testing' 	Link
<ul style="list-style-type: none"> • Financial Stability Report - June 2019 	Link
Conduct	
UK	
FCA	
<ul style="list-style-type: none"> • Consultation on proposed new rules to help consumers with pre-existing medical conditions access suitable travel insurance 	Link
<ul style="list-style-type: none"> • Policy Statement finalising the FCA's retirement outcomes review remedies and changes 	Link
<ul style="list-style-type: none"> • Consultation on contingent charging in pension transfer advice 	Link
<ul style="list-style-type: none"> • Feedback Statement on effective competition in non-workplace pensions 	Link
<ul style="list-style-type: none"> • Speech by Edwin Schooling Latter, Director of Markets and Wholesale Policy at the FCA, on the FCA's strategic priorities for pensions 	Link
EU	
EIOPA	
<ul style="list-style-type: none"> • Opinions on the governance and risk management of pension funds 	Link
<ul style="list-style-type: none"> • Consultation on a draft Opinion on the supervision of remuneration principles in the insurance and reinsurance sector. 	Link
<ul style="list-style-type: none"> • Announced the creation of an Expert Practitioner Panel to discuss PEPP issues 	Link
<ul style="list-style-type: none"> • Report on national general good rules in the context of the insurance distribution directive 	Link

[Back to top](#)

Other	
Conduct	
UK	
FCA	
<ul style="list-style-type: none"> • Dear CEO letter to non-bank payment service providers on requirements for safeguarding of customer funds 	Link
<ul style="list-style-type: none"> • Feedback Statement on fair pricing in retail markets 	Link

<ul style="list-style-type: none"> • Report on alternatives to high-cost credit 	Link
<ul style="list-style-type: none"> • Speech by Charles Randell, Chair of the FCA, at the 2019 Annual Public Meeting, on the evolution of the FCA in the changing FS landscape 	Link
<ul style="list-style-type: none"> • Speech by Andrew Bailey, Chief Executive at the FCA, at the Annual Public Meeting 2019, on Brexit, High-cost credit, Pensions, the future of finance and more. 	Link
<ul style="list-style-type: none"> • Policy statement on restricting contract for difference products (CFDs) sold to retail clients 	Link
<ul style="list-style-type: none"> • Annual report on enforcement 2018/19 	Link
<ul style="list-style-type: none"> • Policy Statement on optimising the Senior Managers & Certification Regime 	Link
<ul style="list-style-type: none"> • Speech by Andrew Bailey, Chief Executive of the FCA, at the FCA Conference on Intergenerational Differences 	Link
UK Parliament	
<ul style="list-style-type: none"> • PSR and BoE responses to HMT report on Consumers' Access to Financial Services 	Link
<ul style="list-style-type: none"> • Report by Treasury Committee on consumers' access to financial services 	Link
EU	
EIOPA	
<ul style="list-style-type: none"> • Consultation on guidelines on outsourcing to cloud service providers 	Link
ESMA	
<ul style="list-style-type: none"> • Statement warning CFD providers about the application of product intervention measures 	Link
<ul style="list-style-type: none"> • Report on its preliminary findings on multiple withholding tax (WHT) reclaim schemes 	Link
<ul style="list-style-type: none"> • Report on sanctions and measures imposed under MiFID II by National Competent Authorities 	Link
<ul style="list-style-type: none"> • Opinions on national product intervention measures taken by Sweden, France and the United Kingdom 	Link
<ul style="list-style-type: none"> • Technical advice on ESG considerations in the credit rating market, and final guidelines on disclosure requirements applicable to credit ratings 	Link
Fintech	
UK	
FCA	
<ul style="list-style-type: none"> • Consultation on prohibiting the sale to retail clients of investment products that reference cryptoassets 	Link
<ul style="list-style-type: none"> • Speech by Christopher Woolard, Executive Director of Strategy and Competition at the FCA on "The future of regulation: AI for consumer good" 	Link
<ul style="list-style-type: none"> • Consultation on the proposed ban on sale of crypto-derivatives to retail consumers 	Link
<ul style="list-style-type: none"> • Finalised Guidance on cryptoassets and the FCA's regulatory perimeter in this area 	Link

PSR	
<ul style="list-style-type: none"> Annual report 2018/19 	Link
EU	
EBA	
<ul style="list-style-type: none"> Report on regulatory perimeter, regulatory status and authorisation approaches in relation to FinTech activities 	Link
<ul style="list-style-type: none"> Report on impact of FinTech on payment institutions' (PIs) and e-money institutions' (EMIs) business models 	Link
ESMA	
<ul style="list-style-type: none"> Report on the licencing of FinTech firms across Europe 	Link
Int'l	
BIS	
<ul style="list-style-type: none"> Speech by Philip R Lane, Member of the Executive Board of the European Central Bank welcome address on "Challenges in the digital age" 	Link
IMF	
<ul style="list-style-type: none"> IMF Executive Board Discusses "Fintech: The Experience so Far" 	Link
Cyber	
EU	
EIOPA	
<ul style="list-style-type: none"> Interview with Gabriel Bernardino, Chairman, on cyber, supervisory convergence, and new technologies 	Link
Int'l	
FSB	
<ul style="list-style-type: none"> Survey questions on Cyber Incident Response and Recovery 	Link
Sustainable Finance	
UK	
BoE	
<ul style="list-style-type: none"> Joint statement from the PRA, FCA, FRC and TPR on climate change 	Link
EU	
EIOPA	
<ul style="list-style-type: none"> Article on the impact of green bond policies on insurers 	Link
Int'l	
BIS	
<ul style="list-style-type: none"> Speech by François Villeroy de Galhau, Governor of the Banque de France, on digitalisation and sustainable finance 	Link
Other	
UK	
CMA	
<ul style="list-style-type: none"> Press release covering a speech by Greg Clarke, Business Secretary, on the need for competition rules to evolve with the emergence of digital platforms 	Link

<ul style="list-style-type: none"> • Competition and Markets Authority's digital markets strategy 	Link
<ul style="list-style-type: none"> • Annual report and accounts 2018 to 2019 	Link
PRA	
<ul style="list-style-type: none"> • Results of the Semi-Annual FX Turnover Surveys in April 2019 	Link
FCA	
<ul style="list-style-type: none"> • Announcement of a project to replace the data-collection tool "Gabriel" 	Link
PSR	
<ul style="list-style-type: none"> • Consultation on the proposed approach to the profitability analysis of card-acquiring services 	Link
<ul style="list-style-type: none"> • Consultation on the PSR's Powers and Procedures Guidance (PPG) 	Link
EU	
ECB SSM	
<ul style="list-style-type: none"> • Appointment of Edouard Fernandez-Bollo, Kerstin af Jochnick and Elizabeth McCaul to the Supervisory Board of the ECB 	Link
ESMA	
<ul style="list-style-type: none"> • Call for evidence on certain investor protection topics for reports to be submitted by the EC under Article 90 of MiFID II 	Link
ESRB	
<ul style="list-style-type: none"> • Overview of the ESRB risk dashboard 	Link
European Parliament	
<ul style="list-style-type: none"> • Document providing an overview of European Central Bank appointments 	Link
Int'l	
BIS	
<ul style="list-style-type: none"> • Interview with Benoît Cœuré, Member of the Executive Board of the ECB, on the growth of the non-bank financial sector 	Link
<ul style="list-style-type: none"> • Speech by Luis de Guindos, Vice-President of the ECB, on macroprudential policy and the non-bank financial sector 	Link

[Back to top](#)

Glossary

AFMs = Authorised Fund Managers
AI = Artificial Intelligence
AIFMD = Alternative Investment Fund Managers Directive
AMF = Autorité des Marchés Financiers
AML = Anti-Money Laundering
APA = Approved Publication Arrangement
AUM = Assets under management
BCBS = Basel Committee on Banking Supervision
BEAR = Banking Executive Accountability Regime
BIS = Bank for International Settlements
BMR = Benchmarks Regulation
BRRD = Bank Recovery and Resolution Directive
BTS = Binding Technical Standard
BoE = Bank of England
CBI = Central Bank of Ireland
CCP = Central Counterparty
CP= Consultation Paper
CTF = Counter Terrorist Financing
CISO = Chief Information Security Officer
CMA = Competition and Markets Authority
CMU = Capital Markets Union
CNMV = Comisión Nacional del Mercado de Valores
CQS = Credit Quality Step
CRD = Capital Requirements Directive
CRR = Capital Requirements Regulation
CROE = Cyber Resilience Oversight Expectations
CSSF = Commission de Surveillance du Secteur Financier
CTP = Consolidated Tape Provider
DB = Defined Benefit
DC = Defined Contribution
DP = Discussion Paper
DPA = Data Protection Agency
DRR = Digital Regulatory Reporting
EBA = European Banking Authority
ECB = European Central Bank
ECOFIN = Economic and Financial Affairs Council
EIOPA = European Insurance & Occupational Pensions Authority
EMEA = Europe, Middle East and Africa
EMIR = European Market Infrastructure Regulation
EONIA = Euro Over Night Index Average
ESAs = European Supervisory Authorities
ESG: Environmental, Social, and Governance

ESMA = European Securities & Markets Authority
ESRB = European Systemic Risk Board
ESTER = Euro Short-Term Rate
EU = European Union
Euribor = Euro Interbank Offered Rate
FAMR = Financial Advice Market Review
FCA = Financial Conduct Authority
FinPro = Financial Protection
FGCA = Financial Guidance and Claims Act 2018
FMIs = Financial Market Infrastructures
FOS = Financial Ombudsman Service
FPC = Financial Policy Committee
FRTB = Fundamental Review of the Trading Book
FS = Financial Services
FSA = Financial Services Authority
FSB = Financial Stability Board
GBP = British pound sterling
GDP = Gross Domestic Product
GDPR = General Data Protection Regulation
GSIBs = Global Systemically Important Banks
HMT = Her Majesty's Treasury
IAIS = International Association of Insurance Supervisors
IASB = International Accounting Standards Board
IBOR = Interbank Offered Rate
ICAAP = Internal Capital Adequacy Assessment Process
ICO = Information Commissioners Office
ICS = Insurance Capital Standard
IDD = Insurance Distribution Directive
IFRS = International Financial Reporting Standards
ILAAP = Internal Liquidity Adequacy Assessment Process
IM = Initial Margin
IOSCO = International Organization of Securities Commissions
IPU = Intermediate Parent Undertaking
IRB = Internal Ratings Based
ISAs = Individual Savings Accounts
IT = Information Technology
JST = Joint Supervisory Teams
KID = Key Information Document
LEI = Legal Entity Identifier
LIBOR = London Interbank Offered Rate
LTV = Loan to Value
M&A = Mergers and Acquisitions
MI = Management Information
MiFID = Markets in Financial Instruments Directive

MiFIR = Markets in Financial Instruments Regulation
MLD = Money Laundering Directive
MoU = Memorandum of Understanding
MREL = Minimum requirement for own funds and eligible liabilities
MTF = Multilateral Trading Facility
NCA = National Competent Authority
NED = Non-Executive Director
NGFS = Network for Greening the Financial System
NPLs = Non-performing Loans
NSFR = Net Stable Funding Ratio
OCIR – Operational Continuity in Resolution
ORSA = Own Risk and Solvency Assessment
OTF = Organised Trading Facility
OTC = Over the counter
PEPP = Pan European Pensions Product
PPI = Payment Protection Insurance
PRA = Prudential Regulation Authority
PRIF = Prudential Regime for Investment Firms
PRIIPs = Packaged Retail Investment and Insurance Products
PS = Policy Statement
PSD2 = Revised (second) Payment Services Directive
RDR = Retail Distribution Review
RFRs = Risk-Free Rates
RRM = Risk Reduction Measures
RTGS = Real Time Gross Settlement
RTS = Regulatory Technical Standard
RW = Risk Weight
SA = Standardised Approach
SFTR = Securities Financing Transactions Regulation
SI = Systematic Internaliser
SIPPs = Self Invested Personal Pensions
SM&CR = Senior Managers and Certification Regime
SONIA = Sterling Overnight Index Average
SRB = Single Resolution Board
SRF = Single Resolution Fund
SREP = Supervisory Review and Evaluation Process
SS = Supervisory Statement
SSM = Single Supervisory Mechanism
TCA = Total Capital Adequacy
TCFD = Task Force on Climate-related Financial Disclosures
TIBER = Threat Intelligence-based Ethical Red Teaming
TLAC = Total Loss-Absorbing Capital
TMTP = Transitional Measure on Technical Provisions
TPP = Third-Party Providers

TPR = Temporary Permissions Regime

TRIM = Targeted Review of Internal Models

TRR = Temporary Recognition Regime

UCITS = Undertakings for Collective Investments in Transferable Securities

Contacts

Andrew Bulley

Partner, Centre for Regulatory Strategy
+44 (0)20 7303 8760

Rod Hardcastle

Director, Centre for Regulatory Strategy
+44 (0)20 7007 1640



This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte LLP accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London, EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ('DTTL'). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2019 Deloitte LLP. All rights reserved.