

Financial Services Alerter

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FCA publishes webpage on Financial Services Register

On 23 November 2020, the Financial Conduct Authority (FCA) published a [webpage](#) on the Financial Services Register confirming that the directory containing persons' data submitted by dual-regulated firms under the Senior Managers and Certification Regime (SM&CR), is now live. The directory will operate alongside the Financial Services Register and will publicly display information on key individuals in SM&CR firms..

FCA publishes webpage on digital sandbox

On 23 November 2020, the Financial Conduct Authority (FCA) published a [webpage](#) on the digital sandbox pilot. The sandbox supports innovative firms and organisations looking to tackle challenges relating to the pandemic. The pilot focusses on three key areas:

- fraud and scams
- vulnerability and;
- SME lending.

The pilot will run until 5 February 2021.

FCA publishes Regulation round-up

On 19 November 2020, the Financial Conduct Authority (FCA) published a [Regulation round-up](#) for November 2020, focussing on the following items:

- the treatment of maturing format child trust fund accounts
- risk transfer agreements and;
- pension transfer definition.

FCA publishes a statement on senior manager accountability

On 9 November 2020, the Financial Conduct Authority (FCA) published a [statement](#) containing information about the COVID-19 pandemic explaining that firms should continue to follow government guidance to ensure they comply with any restrictions. The FCA states that the Chief Executive Officer Senior Management function (SMF1) is accountable for ensuring an adequate process for following and adhering to government guidance.

FCA publishes PS on open banking identification requirements

On 3 November 2020, the Financial Conduct Authority (FCA) published a [Policy Statement](#) (PS) containing amendments to the open banking identification requirements (EIDAS) certificate. UK-based third-party providers (TPPs) will be unable to provide open banking services to consumers post-Brexit according to the European Banking Authority's [announcement](#). Changes in PS20/13 will permit UK based TPPs to continue accessing customer data and initiating payments by using alternatives to eIDAS certificates.

FCA publishes statement on consumer credit borrowers

On 2 November 2020, the Financial Conduct Authority (FCA) published a [statement](#) announcing the update of its temporary guidance on personal loans, credit cards, motor finance, rent to own, buy-now pay later, pawnbroking and high-cost short term credit (HCSTC). The FCA is committed to supporting consumer credit customers financially affected by COVID-19 and announces that consumer credit customers who have not yet had a payment deferral under its July guidance can request one.

FCA publishes call for input on unsecured credit market regulation

On 2 November 2020, the Financial Conduct Authority (FCA) published a [call for input](#) on its review into change and innovation in the unsecured credit market. The FCA wishes to gather information on how the market is changing in light of the pandemic and wants to know how regulation can support a healthy unsecured lending market. The call for input focusses on the following themes:

- drivers and use of credit
- change and innovation in the supply of credit
- the role of regulation in unsecured credit markets and;
- the impact of COVID-19 and the FCA's response.

The deadline for comments is 1 December 2020.

PRA publishes PS on market risk, RNIV and sVAR

On 26 November 2020, the Prudential Regulatory Authority (PRA) published a [Policy Statement](#) (PS) on market risk, the calculation of Risks Not in Value at Risk (RNIV) and stressed Value At Risk (sVAR). The PS summarises the responses to the consultation and sets out the PRA's feedback and final policy decisions. The PRA:

- expects that RNIV own fund requirements should be calculated as the average across the preceding three-month period of an RNIV measure
- set a requirement for firms to consider whether more frequent calculation than monthly may be appropriate and;
- set an expectation that the relevant RNIV measure, for at least 90% of RNIV own funds requirements, should be calculated monthly.

PRA publishes letter on treatment of legacy instruments under CRR

On 16 November 2020, the Prudential Regulatory Authority (PRA) published a [letter](#) on the remediation of prudential treatment of legacy instruments before the end of the transposition period specified in the Capital Requirements Regulation (CRR). The PRA expects that firms effected by the expiring provisions of the CRR undertake a risk-based approach and assess remedial actions before the end of the CRR transition period and requests that firms share an action plan with their usual PRA supervisory contact by 31 March 2021.

HMT updates webpage on post-EU financial services regulatory framework

On 30 November 2020, the HM Treasury published a [webpage](#) on its [Consultation Paper](#) (CP) relating to Phase II of its financial Services Future Regulatory Framework Review.

HMT has extended the closing date of the consultation period by one month, to 19 February 2021.

HMT publishes statement on timings for implementing IFPR and CRR II

On 16 November 2020, the HM Treasury published a [statement](#) on the introduction of the Investment Firms Prudential Regime (IFPR) and the implementation of Basel Standards reflecting the Capital Requirements Regulation II (CRR II). The target implementation date for these reforms has been set for 1 January 2022 while the target implementation date for the final Basel III reforms will remain 1 January 2023. The legislative framework for these reforms will be introduced through the Financial Services Bill 2019-21.

BoE publishes information on 2021 CBES

On 13 November 2020, the Bank of England (BoE) published [information](#) on the Climate Biennial Exploratory Scenario (CBES), which it plans to launch in June 2021.

The BoE:

- lists the financial institutions invited to participate in the CBES
- sets out a timeline for the exercise
- sets out a planned engagement with participants ahead of the launch

These decisions reflect the feedback that the BoE received in its 2018 [Discussion Paper](#).

FMLC publishes statement on the UK's future international regulatory co-operation strategy

On 25 November 2020, the Financial Markets Law Committee (FMLC) published a [statement](#) responding to the call for evidence on the UK government's future international regulatory co-operation (IRC) strategy. FMLC stresses the following points:

- that divergent national approaches and differences present a challenge to effective cross-border regulation
- the UK will withdraw from a number of regional and international collaboration arrangements as a result of Brexit and;
- in the event of a "hard" Brexit, the UK Government should consult on a framework of standards to facilitate and regulate the means by which the UK financial regulators enter into bilateral and multilateral co-operation arrangements with other authorities.

FSB publishes report on implications of climate change for financial stability

On 23 November 2020, the Financial Stability Board (FSB) published a [report](#) on the implications of climate change for financial stability. The report examines climate-related risks to financial stability and potential mechanisms within the financial system that might amplify the effects of climate-related risk as well as the cross-border transmission of risks. The report is divided in the following sections:

- introduction
- climate-related risks to financial stability
- transmission and amplification mechanisms
- cross-border transmission of climate-related risks
- mitigating climate-related risks and;
- next steps.

FSB publishes report on market turmoil

On 17 November 2020, the Financial Stability Board (FSB) published a [report](#) setting out the findings of its holistic review of the March 2020 market turmoil. The report stresses the need to better understand interconnections and amplification channels in the financial system and to consider the nature of vulnerabilities in non-bank financial intermediation (NBFI). The FSB proposes a NBFI program focussing on three main areas:

- analytical and policy work on specific issues
- systemic risk assessments and;
- policies to address systemic risks in NBFI.

FSB publishes guidance on assessing adequacy of financial resource for CCP resolution

On 16 November 2020, the Financial Stability Board (FSB) published a [Final Report](#) containing guidance on financial resources to support central counterparty (CCP) resolution and on the treatment of CCP equity in resolution. The guidance is in two parts:

- Part I setting out five steps to guide authority in assessing the adequacy of a CCP's financial resources.
- Part II addressing the treatment of CCP equity in resolution.

The FSB will revisit the guidance in five years to assess whether any adjustments are required in light of market developments or from the authority's experience with using the guidance.

FSB publishes a DP on regulatory and supervisory issues relating to outsourcing

On 9 November 2020, the Financial Stability Board (FSB) published a [Discussion Paper](#) (DP) on regulatory and supervisory issues relating to outsourcing and third-party relationships. The FSB is concerned that some of the measures that financial institutions and supervisory authorities have introduced in response to the pandemic highlight the risks that outsourcing and third-party relationships can create for the financial sector. The deadline for comments to be made on the paper is 8 January 2021.

FOS publishes ombudsman news issue 155

- On 19 November 2020, the Financial Ombudsman Service (FOS) published [issue 155](#) of 'Ombudsman News', containing a number of items of interest:
- Quarterly complains data for Q3 2020
- An overview of the FOS' general approach to complaints about consumer credit
- FOS' [annual report and accounts 2019/20](#)
- COVID-19 operational information about the FOS and its approach to complains caused by the pandemic

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