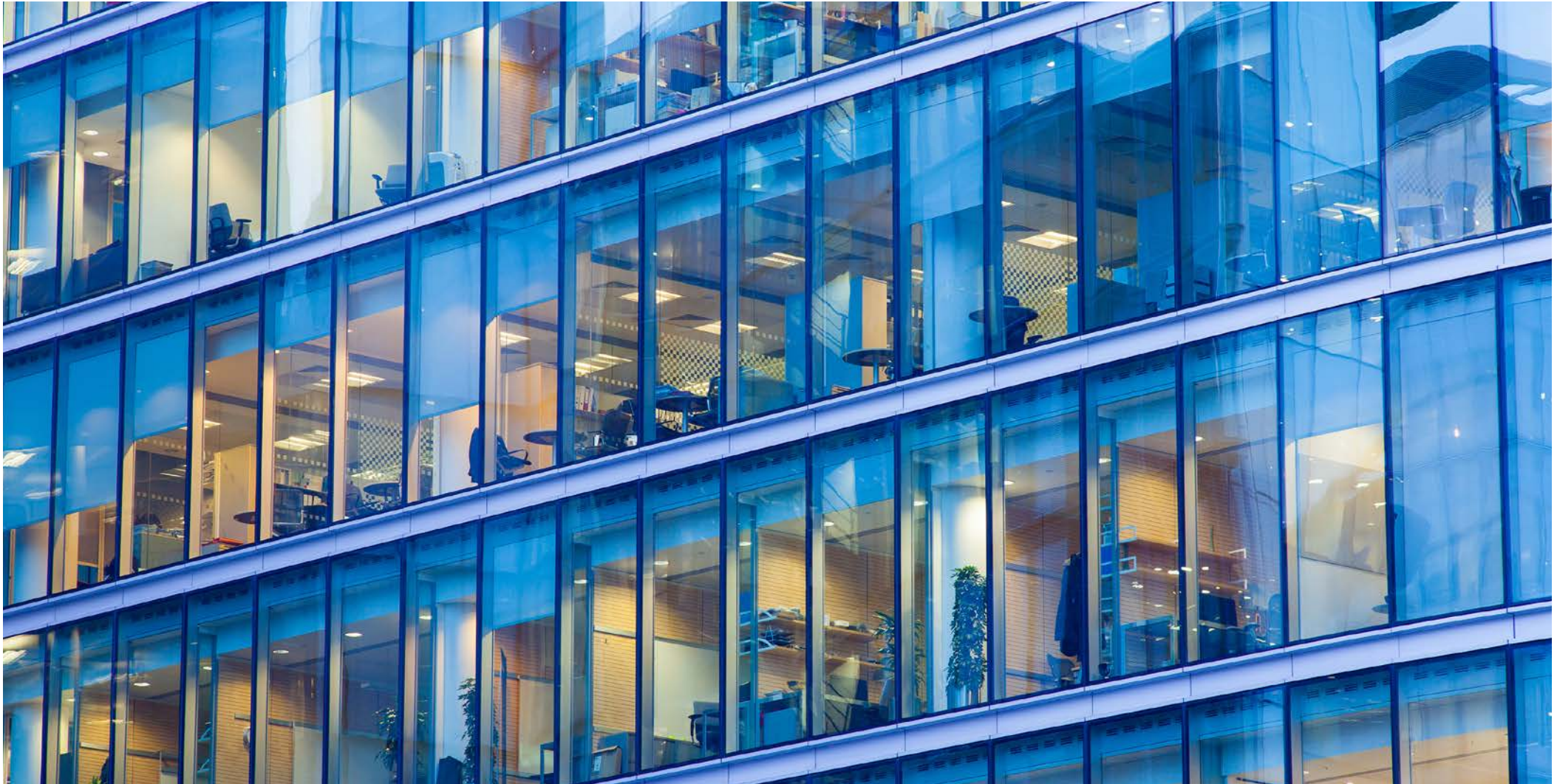


# Regulatory Initiatives Grid

Version 2

7 May 2020



# Foreword by Financial Services Regulatory Initiatives Forum co-chairs

Christopher Woolard, Interim Chief Executive Officer, FCA

Sam Woods, Deputy Governor, Prudential Regulation, Bank of England

**The financial services industry needs a clear understanding of the regulatory pipeline. This is important in usual times. But it is vital in a crisis.**

**Reflecting this, we – the Financial Services Regulatory Initiatives Forum – are publishing this Regulatory Initiatives Grid a little earlier than planned. The Grid sets out the planned regulatory workplan over the next twelve months. It will help firms and other stakeholders understand – and plan for – the timing of the initiatives that may have a significant operational impact on them.**

## **Strengthening regulatory coordination**

HM Treasury's Financial Services Future Regulatory Framework Review started with a Call for Evidence on Regulatory Coordination. The response confirmed the many benefits of effective regulatory coordination for regulators, the regulated industry and consumers. In response, we have launched the Financial Services Regulatory Initiatives Forum: a new mechanism designed to strengthen regulatory coordination. This initiative also addresses the recommendation for an 'air traffic control' forum in the Future of Finance report completed by Huw Van Steenis in 2019.

The Forum is made up of representatives of the Bank of England, Financial Conduct Authority, Prudential Regulation Authority, Payment Systems Regulator, Competition and Markets Authority, and HM Treasury (as an observer member).

## **Reducing operational burdens in response to Covid-19**

Forum members have taken action to help regulated firms deal with Covid-19. Authorities have worked closely with firms and Government to co-ordinate this response in the most effective way. One part of this response has been to cancel or delay several initiatives to reduce operational burdens on firms. This is illustrated in the Grid. For example:

- the Bank of England has cancelled its 2020 annual stress test, the annual cyclical scenario, and paused completion of the 2019 biennial exploratory scenario on liquidity;

- the closing dates of many open consultations have been extended to 1 October;
- reviews and new initiatives announced in the Budget have been delayed; and
- some international implementation dates have been moved back, e.g. the implementation date for Basel 3.1 and the timings for phases five and six of enhanced bilateral margin obligations.

Taken together, the collective regulatory response contributes to the financial services industry's capacity to support consumers and the real economy through the impact of Covid-19. We will continue to keep these plans under review as the situation develops, and consider whether some initiatives should be delayed further, once the longer term impact of Covid-19 on the sector, and the economy, is better understood

The Grid also reflects that in the medium and longer-term there are elements of our work programmes that started well before the emergence of Covid-19 and are likely to extend beyond it. For example, we and firms will continue to prepare for the end of the transition period associated with the United Kingdom's exit from the European Union and to follow closely negotiations on their future relationship. And the industry and Forum members will also continue to work on issues such as the impact of climate change and innovation.

## **The role of the Forum and the scope of the Grid**

The Forum's role is to improve information-sharing on the timing and operational impact of regulatory initiatives. The goal is to help manage the operational impact on firms from implementing these initiatives. We particularly want to explain that:

- The Forum is a mechanism for sharing information and supporting coordination between authorities – focusing on the timing of regulatory initiatives. The content of regulation remains the responsibility of individual Forum members. Reflecting this, the Forum itself does not have decision-making powers.

- The Grid is a vehicle to circulate information on the timing of regulatory initiatives – reviewing the Grid is not a substitute for engaging with Forum members' publications on the substance of initiatives. So please feed back to us on the sequencing of measures in the Grid in light of their operational impacts. Feedback on the substance of policy should be given through our normal consultation processes.

The Grid will provide expected timings as at the date of publication – Forum members may still alter the timings or substance of initiatives, and announce new initiatives.

## **Developing the Grid for the future – feedback during the pilot**

We recognise how important it is to give the industry clarity about the picture in the medium term. That is why the Forum brought forward our plans to meet and publish this document. Many of the features of this first Grid publication come from that decision and some of these features are likely to change in future editions of the Grid:

- The Grid provides detail on the timing of initiatives by quarter over a 12-month horizon – in future editions we intend to extend this to 24 months.
- There are more initiatives with indicative or indeterminate timing than we would expect in a 'business as usual' context – this reflects the action that Forum members have taken to defer initiatives in response to Covid-19 and the need to wait for greater clarity on the unfolding situation.

This is a one-year pilot exercise. We want to make the Grid as useful as possible. So we strongly encourage industry and other stakeholders to engage with it and to give us feedback on it.

# Executive summary

The Grid contains a broad range of regulatory initiatives reflecting the breadth and diversity of the financial services industry. Stepping back from the detail, it may help to consider the Grid's contents within three discrete periods:

- the near-term – i.e. from now through the summer;
- the medium-term – i.e. from the end of the summer to March 2021; and
- the longer-term – i.e. April 2021 and beyond

The figure on the next page highlights a selection of important regulatory milestones across these three periods.

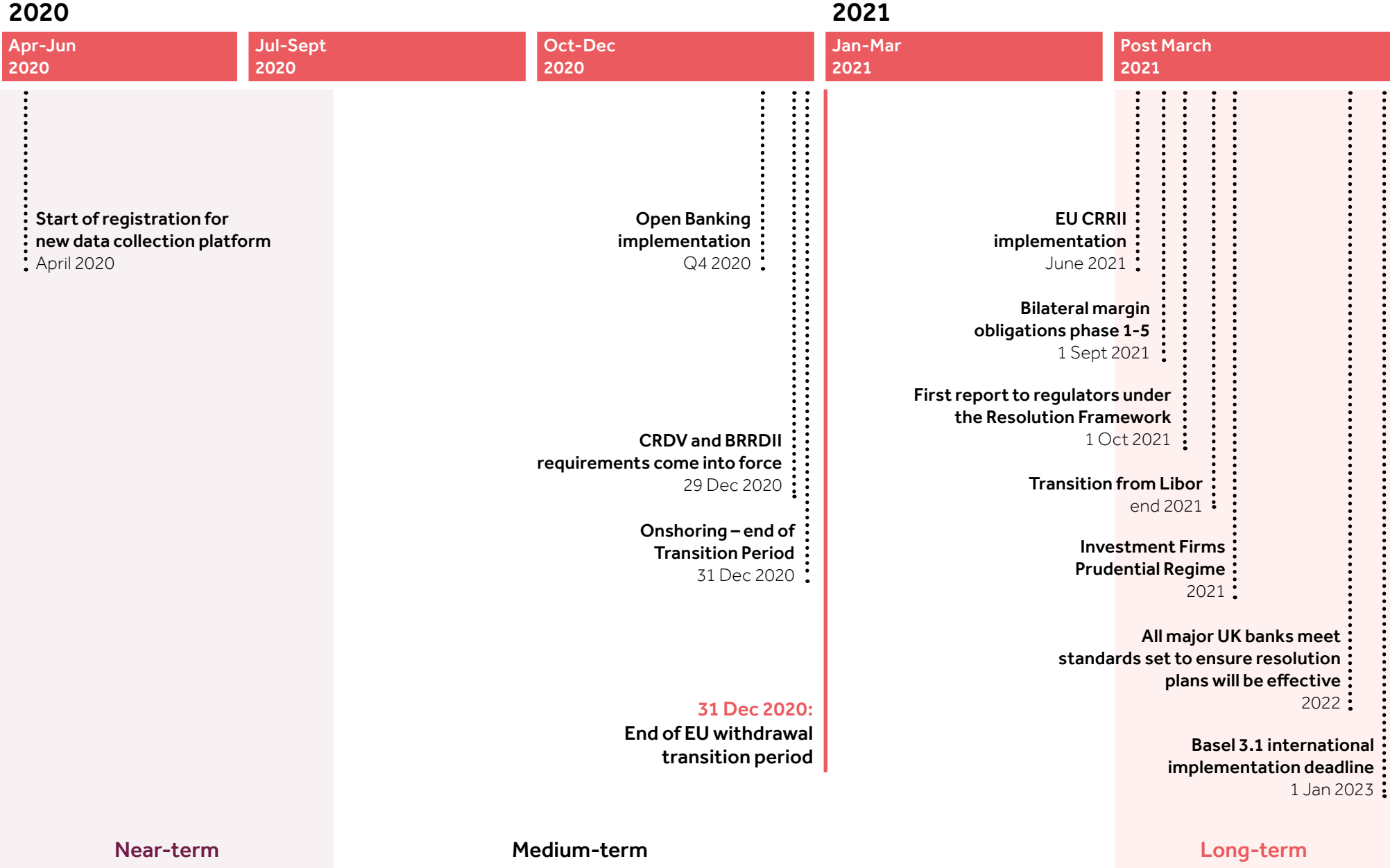
There is a universal near-term priority: responding to the impact of Covid-19 and mitigating its negative effects as far as possible. In this near-term period the Grid contains relatively few instances of policies entering into force. Forum members have taken action to free up operational capacity, allowing industry manoeuvrability to support businesses and individual consumers.

However, that action has had a clear impact on the medium-term period. The extension of a number of consultation periods to the start of October could lead to the finalisation of a substantial volume of policy around the turn of the year. If that occurs, the associated implementation dates, i.e. the point at which firms are expected to comply with finalised policy, will be an important factor in the degree of operational demand firms face. This period also includes the end of the transition period associated with the United Kingdom's exit from the European Union, which necessitates certain regulatory initiatives. Given these facts and the uncertainty created by Covid-19, the Grid shows that timings are not confirmed for a significant proportion of initiatives in this period. As a consequence there will be a further period of reprioritisation by Forum members. The Forum will continue to review the planning of policy finalisation and implementation dates to manage the operational demand on the industry.

Looking beyond the next 12 months, the Grid shows that substantial implementation lead-time has been provided for the majority of higher impact initiatives. Many of these address globally agreed regulatory objectives and the UK implementation of international standards. Even in the context of these longer-term initiatives, Forum members have taken action to revisit implementation milestones in some cases. This will remain the subject of further consideration in both the international and domestic arenas.



# The key initiatives in the regulatory landscape



# Introduction: how to understand this document

The Forum's terms of reference have been published alongside this document. Users of this document should consult those terms of reference to ensure an appropriate understanding of the role of the Forum and nature of this publication.

## Structure

The Grid is organised by sector. It includes a 'multi-sector' chapter that covers initiatives that span more than one sector in addition to sector-specific chapters. The sector-specific chapters cover: Banking; Consumer credit; Payment services and systems and market infrastructures; Insurance and reinsurance; Pensions and retirement income; Retail investments; Investment management; Wholesale. As these sectors are broadly consistent with the FCA's standard categorisation, we expect these to be familiar to users.

Where relevant, chapters start with a brief introduction that highlights the most significant initiatives in terms of the expected operational impact on firms.

## Scope

The Grid includes initiatives led by one or more Forum members – HMT, the Bank of England, PRA, FCA, PSR and CMA. Future versions of the Grid may include initiatives from a broader set of UK bodies based on their participation in the Forum on an ad hoc basis.

Initiatives have been included where they meet both of the following criteria:

- **Public information** – Stakeholders will generally have been made aware of the initiative through our Forum members' regular channels of communication.
- **Operational Impact** – Initiatives that our organisations consider will have an individually significant operational impact during implementation by firms. This means that we believe the initiative is likely to take up a meaningful amount of firms' time and resources.

The Grid does not include initiatives led by international bodies if Forum members are not playing a substantial role in calibrating their implementation in the UK.

It does not include enforcement actions nor will it include the majority of supervisory activities as timing and

operational impact are firm-specific. It also does not reflect the operational impact associated with ongoing requirements beyond implementation.

Therefore, the Grid is a consolidated presentation of the expected timeframes, as at the date of publication, of a sub-set of regulatory initiatives. These are subject to change including, potentially, a decision to vary or not to proceed with a particular initiative. This publication will not be updated after its initial publication to reflect the impacts of any such decisions.

## Information provided in the Grid

Moving through the columns from left to right, each row provides information on:

- **Lead** – which institution(s) is taking forward the initiative. Where several Forum members are noted, this means it is a joint initiative. This generally indicates that Forum members are working together which could mean they are undertaking activities in parallel or in sequence.
- **Initiative** – a high-level description of the initiative. This will generally include a link to more detailed information that has been published about the initiative. Review of the Grid will not be a sufficient substitute for engaging with the more detailed material for any initiative.
- **Milestones** – the specific timing of particular milestones, e.g. closing dates for Consultation Papers, if these are known. The absence of a milestone may mean that a precise date has not been confirmed but activity is still expected as shown in the later quarter-by-quarter columns.
- **Scale of operational impact** – this is shown as 'higher' or 'lower' on a relative basis amongst initiatives and covers the next 12 months and the period beyond that horizon. This is a high-level estimate. It is not a substitute for or comment on any impact assessment or cost-benefit analysis Forum members are carrying out as

part of individual initiatives. We will generally consider engagement to be lower impact. This estimate is based on the expected operational impact on a firm within scope of the initiative, which will ultimately vary between individual firms. It is not based on the volume of firms affected or non-operational impact of the initiative.

- **Quarter-by-quarter** – a breakdown of the next four quarters and a column for the period beyond that horizon. Within these columns a shaded cell denotes that some engagement or implementation activity is likely required in the period. An "E" denotes the expected point at which firms and other stakeholders should be engaging formally with our organisations – such as when a consultation or call for evidence is open. Lighter shading indicates that the timing is indicatively planned. Where there are not yet indicative plans for when an initiative will proceed this section has been left blank.
- **Timing amended for Covid-19** - a notation to indicate whether milestones have been moved in response to Covid-19.

## Providing feedback

Feedback on this document can be sent to the Forum Secretariat at [FSRIFSecretariat@fca.org.uk](mailto:FSRIFSecretariat@fca.org.uk)

The Forum Secretariat may share any responses with Forum members

Please indicate in any response whether you agree/do not agree, to sharing any personal data contained in your response, including name/email address, with Forum members.

We will not regard a standard confidentiality statement in an email message as a request for non-disclosure. Despite this, we may be asked to disclose a confidential response under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Tribunal.

# Multi-sector

This chapter covers initiatives that affect multiple sectors. This includes of a number significant cross-cutting initiatives that will affect much of the financial services sector, tackling the key challenges facing the sector, such as climate change, technological innovation, and operational resilience, as well reforms to prepare for the end of the Transition Period and to take advantage of the UK's position outside of the EU.

It also captures more discrete initiatives which cut across multiple sectors, such as LIBOR transition or reforms of the anti-money laundering (AML) regime, and initiatives which affect firms that currently sit outside of the regulatory perimeter. Operational resilience is covered in this section by a single entry although it is being taken forward by the Bank, PRA and FCA separately, but in close co-ordination.

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
BoE/PRA	<b>2021 Biennial Exploratory Scenario</b> A stress test of the resilience of the largest banks, insurers and the financial system to different possible climate pathways.	The PRA and The Financial Policy Committee (FPC) have agreed to postpone the launch until at least mid 2021	L						●
PRA	<b>Operational Resilience Incident Reporting</b> Policy proposals to set out what information should be submitted by banking and insurance firms when operational incidents occur.		L			E	E		●
FCA	<b>Climate-related disclosures</b> Proposals to enhance climate-related disclosures by listed issuers and clarification of existing disclosure obligations.	1 October 2020: consultation closes 2021: planned implementation	H		E				●
FCA	<b>Open finance</b> An assessment of the opportunities and risks arising from open finance and the FCA's role in ensuring that it develops in the best interests of consumers.	1 October 2020: Call for Input closes	L		E				●
FCA	<b>Our Approach to Market Integrity and Wholesale Markets</b> 'Approach to' document setting out the FCA's strategic approach to ensuring market integrity, particularly within wholesale markets.	To be announced	L						●

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative E Formal engagement

# Multi-sector

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
FCA	<b>Our approach to branches of international firms</b> Consultation to provide guidance on the FCA's approach to authorising and supervising branches of international firms.	Q3/Q4 2020: Consultation Q1 2021: Implementation	H		E	E			
FCA	<b>Data ethics</b> Research commissioned to explore any gaps in the current regulatory framework regarding transparency and explainability to support the FCA's approach to data ethics.	Q2 2020: Firm engagement	L						●
FCA	<b>Corporate reporting in structured data formats</b> Work with the FRC and other stakeholders to ensure the UK is ready to implement reporting in electronic changes .	Q3 2020: Markets Bulletin article published	L		E				
FCA	<b>Vulnerability Guidance</b> Consultation on guidance for firms on the identification and treatment of consumers in vulnerable circumstances.	To be announced	H						●
FCA	<b>Duty of Care</b> Consultation to introduce a new, higher standard of protection for consumers in retail markets.	To be announced	H						●
HMT	<b>Cryptoassets – extension of financial promotions regulations</b> Consulting on a measure to bring certain cryptoassets into the scope of financial promotions regulation.		L		E				●
HMT	<b>Future Regulatory Framework Review</b> A long term review into how the UK regulatory framework needs to adapt for the future.		L		E	E			●

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative   E Formal engagement

# Multi-sector

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
HMT	<b>Introducing a new Gibraltar Market Access Regime</b> Following UK and Gibraltar leaving the EU, the UK is introducing a new Gibraltar Authorisation Regime ("GAR") for Gibraltar firms.	11 May 2020: Consultation closes To be included in upcoming Financial Services Bill	L	E					
HMT	<b>Financial Services White Paper</b> A Financial Services White Paper, setting out the government's vision for the FS sector.		L						●
HMT	<b>FinTech sector review</b> A review of the UK fintech sector to identify measures to maintain growth and competitiveness.		L		E				●
BoE/FCA	<b>Digital Regulatory Reporting</b> Partnership with BoE and 7 firms to explore the viability of testing machine readable and executable regulatory reporting.		L						
BoE/FCA	<b>Data Collection changes</b> A large scale consultation exercise on Transforming Data Collection engaging a wide range of firms, intermediaries, regtechs etc. was launched in January 2020.		L						●
BoE/FCA	<b>AI public/private forum with Industry</b> The BoE and FCA are establishing a forum to look at the impact of AI on financial services.	Q2 2020: Voluntary stakeholder engagement	L						●
BoE/FCA	<b>Gabriel replacement</b> New data collection platform, replacing Gabriel, enabling data centre exit.	2 April 2020: registration commenced TBC: users start moving to the new data collection platform	H						
BoE/FCA/ HMT	<b>EU Exit financial services legislation to prepare for the end of the Transition Period (Onshoring)</b> Statutory instruments and regulator rules to ensure the UK has an independent financial services regulatory regime at the end of the Transition Period.	31 December 2020: End of Transition Period	H						

**Key**  
**Indicative impact:** H - high L - low **Timing:**  Timing confirmed  Timing tentative E Formal engagement



# Multi-sector

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
BoE/FCA/HMT	<b>Cryptoasset Task Force - response to stablecoins</b> HMT consultation on the broader regulatory approach to cryptoassets, including new challenges from so-called stablecoins.		L			E	E		●
BoE/FCA/PRA	<b>Operational Resilience</b> Policy statements to follow up co-ordinated CPs on new requirements to strengthen operational resilience in the financial services sector.	1 October 2020: Consultation closes 31 December 2021: Implementation dates will not fall before the end of 2021	H	E	E				●
BoE/FCA/HMT/PRA	<b>LIBOR Transition</b> Secure a fair, clear and orderly transition from LIBOR to robust, reliable and clean alternative risk-free rates.	Ongoing firm engagement End of 2021: LIBOR phase out deadline.	H						
FCA/HMT	<b>Regulation of Pre-Paid Funeral Plans</b> Bringing pre-paid funeral plans within the FCA's remit.	Q4 2020: Secondary legislation laid	L			E			●
FCA/PRA	<b>Bilateral margin obligations phases 5 &amp; 6</b> New requirements for non-cleared over the counter derivative contracts.	1 September 2021: Implementation of phase 5 1 September 2022: implementation of phase 6	H						●
FCA/PRA	<b>Outsourcing and third party risk management</b> Updates the regulatory framework for the supervision of outsourcing taking into account increased adoption of cloud and other new technologies.	1 October 2020: Consultation period closes	L		E				●
FCA/PRA	<b>Climate Financial Risk Forum</b> Joint FCA/PRA initiative to develop industry guidance on managing climate related risks for financial services firms.		L						●

**Key**  
**Indicative impact:** H - high L - low **Timing:**  Timing confirmed  Timing tentative E Formal engagement

## Multi-sector

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
HMRC/HMT	<b>Transposition of Fifth Anti Money Laundering Directive (5MLD)</b> Expansion of the scope of HMRC's Trust Registration Service (TRS) under 5MLD.	Q1 2020: Technical consultation on the register begins 10 March 2022: proposed deadline to register (as set out in technical consultation)	L						
CMA/FCA/HMT	<b>Investment Consultants – Extension of the FCA's regulatory perimeter</b> Consulting on CMA recommendation to bring the activities of investment consultants within the FCA's remit.		L						●

## Banking

This chapter includes a number of initiatives that have been deferred, paused or cancelled (in the case of the 2020 Annual Cyclical Scenario) in response to the emergence of Covid-19.

It also includes a number of initiatives related to the update of post crisis reforms designed to ensure financial resilience in the sector. These relate to the implementation of the final elements of the Basel III package, for which there is a significant implementation period

for industry. Similarly, initiatives relating to resolvability and operational resilience provide for significant implementation periods. This includes the work needed in advance of: firms' private and public disclosures as required by the Resolution Assessment Framework, entry into force of obligations associated with bilateral margining; and updates to standards that impact the calibration of firms' internal capital models.

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
BoE/PRA	<b>Operational Continuity in Resolution</b> The PRA, in coordination with the Bank as resolution authority, is reviewing its OCIR policy.		H			E	E		●
BoE/PRA	<b>2019 Biennial Exploratory Scenario</b> A stress test that features a severe and broad based liquidity stress affecting the major UK banks.	Paused until further notice	L						●
BoE/PRA	<b>2020 Annual Cyclical Scenario</b> A stress test that features a stress more severe than the 2008 financial crisis.	Cancelled for 2020	L						●

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative   E Formal engagement

# Banking

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
BoE/PRA	<b>Leverage ratio review</b> The FPC and PRC have announced that they will conduct a review of the UK leverage ratio framework in light of revised international standards once there is further clarity on how EU law might affect UK firms.		L						
BoE/PRA	<b>Resolution Assessment Framework</b> In scope firms need to meet the resolution outcomes in the RAF and some will submit private reports to authorities and provide public disclosure regarding their resolvability.	October 2021: The first reports will be submitted June 2022: first disclosures will take place 1 January 22: deadline to meet resolution outcomes	H						●
PRA	<b>Clarifying supervisory approach to new and fast growing firms</b> Consultation on supervisory approach and policies applicable to new and fast growing firms.		L	E	E				●
PRA	<b>EBA taxonomy 2.10</b> Implementation of EBA reporting taxonomy for the 2020 Supervisory Benchmarking reporting.	30 September 2020: Implementation	L	E					
PRA	<b>Trading-book wind down</b> Policy proposals are planned to ensure that firms are able to wind down their trading books in a timely manner.		H					E	●
PRA	<b>Credit risk: PD and LGD estimation</b> Policy relating to Probability of Default estimation, Loss Given Default estimation and the treatment of defaulted exposures in the Internal Ratings Based approach to credit risk.	Implementation for mortgage models has been delayed with the deadline for model changes to all asset classes now 1 January 2022	L						●
PRA	<b>Asset encumbrance</b> Policy to ensure firms appropriately manage the prudential risks associated with asset encumbrance.		L						
PRA	<b>Counterparty credit risk: treatment of model limitations in banks' internal models</b> Policy to capture risks not adequately dealt with by internal models.		L						

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative   E Formal engagement

# Banking

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
PRA	<b>Mortgage risk-weight floors</b> The PRA will continue to develop its approach to mortgage risk weight floors (but are reviewing the timeline in light of Covid-19).		L						●
CMA	<b>The final stages of Open Banking implementation</b> A series of measures intended to enhance competition in retail banking by allowing customers to share their transaction data securely with trusted third-parties.	Q2 2020: engagement (affected by Covid-19) Q3-Q4 2020: Systems and processes changes implementation	L	E					●
FCA	<b>Credit Information Market Study Interim Report</b> Market study focused on data quality, consumer engagement and the nature of competition in the credit information market; as well as, if necessary, remedies to make it work better	To be announced	L			E			●
FCA	<b>Single Easy Access Rate for cash savings</b> Consultation on proposals to improve the Single Access Cash Rate for cash saving market, focusing on helping consumers get better deals.	1 October 2020: consultation closes Q1 2021 onwards: Feedback Statement or Policy Statement followed by implementation of changes to systems, processes and products	L		E				●
FCA	<b>Mortgage switching remedies</b> Consultation on potential remedies to help mortgage customers who do not switch.	To be announced	L						●
HMT	<b>Breathing Space</b> Introducing breathing space to help those in problem debt.	Q1 2021: Breathing Space to be introduced	L						●
HMT	<b>Amendments to the Credit Unions Act</b> Amendments to the Credit Unions Act to allow credit unions to offer a wider range of products and services.		L						●
BoE/HMT/ PRA	<b>Implementation of the remaining Basel III standards (Basel 3.1)</b> Implementation of the reformed Basel III banking standards (also known as Basel 3.1) by the international deadline.	1 January 2023: Basel implementation deadline To be included in upcoming Financial Services Bill	H						●

**Key**  
**Indicative impact:** H - high L - low **Timing:**  Timing confirmed  Timing tentative  E Formal engagement

## Banking

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
BoE/HMT	<b>Transposition of Bank Recovery and Resolution Directive II (BRRD II)</b> Transposition of EU Bank Recovery and Resolution Directive II, which updates the bank resolution regime across the EU.	Q2- Q3 2020: Planned consultation on transposing SI 28 December 2020: transposition deadline	L	E	E				
BoE/HMT/ PRA	<b>Updating the UK's prudential regime for credit institutions</b> The EU is implementing a number of Basel III standards, and other prudential regulations, via CRR2, which applies in the EU from June 2021. The UK therefore intends to update the prudential regime for UK credit institutions.	28 June 2021: Implementation date and firm compliance expected To be included in upcoming Financial Services Bill	H		E	E			
BoE/HMT/ PRA	<b>Transposition of Capital Requirements Directive V (CRD V)</b> Transposition of the EU Capital Requirements Directive V (CRDV), which sets out the architecture for the prudential regulation of credit institutions.	October 2020: Planned Statutory Instrument laying date 29 Dec 2020: Firm compliance expected	L	E	E				

## Consumer credit

Many credit initiatives have been captured in the broader Banking section. This chapter therefore contains one initiative relating to motor finance discretionary commission models and consumer credit commission disclosure. This section does not reflect the wider package of consumer credit measures introduced in April 2020 as an emergency response to Covid-19.

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
FCA	<b>Motor finance discretionary commission models and consumer credit commission disclosure</b> Proposals on banning commission models that incentivise motor finance brokers/dealers to raise finance costs for customers.	To be announced	L						●

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative   E Formal engagement



# Payment services and systems and market infrastructure

The payments service and systems and market infrastructure chapter contains seven initiatives, mostly committed to strengthening consumer protection but also with a strong intent to promote competition and innovation.

The impacts of these initiatives cover a broad range of organisations. Several projects (such as Strong Customer Authentication and Confirmation of Payee) set out better incentives for PSPs to protect the users of payment systems by counteracting fraud. Authorities will also be reviewing the card acquiring market, cash services, payments landscape and New Payments Architecture in order to promote competition and innovation.

Most initiatives in the payments and infrastructure area are in the form of consultation or other engagement. The most significant immediate implementation task is for those PSPs to introduce Confirmation of Payee. That is underway already.

Authorities have announced delays to deadlines to a number of the initiatives in the payments and infrastructure area due to Covid-19 impacts.

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
FCA	<b>Strong Customer Authentication (SCA)</b> Implementation of new rules to enhance the security of payments and limit fraud during the authentication process.	14 March 2020: End of adjustment period to meet requirements 14 September 2021: implementation of SCA for e-commerce	L						
PSR	<b>Specific Direction 10 (Confirmation of Payee (CoP))</b> Specific Direction 10 requires members of the UK's six largest banks to fully implement and deliver Confirmation of Payee from 31 March 2020 to counteract fraud and protect the interests of users of payment systems by putting in place a process to check the name on a payee's account as well as the sort code and account number.	31 March 2020 -Implementation	H						●
PSR	<b>Market review into the supply of card-acquiring services</b> A market review to consider whether the supply of card-acquiring services is working well for merchants and consumers. The market review was prompted by concerns that card-acquiring services may not offer value for money for service-users.	June 2020 - Interim report published and engagement with stakeholders.	L		E				●
BoE/PRA/PSR	<b>New Payments Architecture</b> To ensure that the NPA is resilient and supports competition and innovation as it develops in the future.	1 May 2020 - Deadline for responses to the PSR's Call for Input	L	E					●

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative E Formal engagement

# Payment services and systems and market infrastructure

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
HMT (with input from BoE/ FCA/ PSR)	<b>Access to cash legislation</b> The introduction of new legislation to protect access to cash.		L						
BoE/FCA/ HMT/PSR	<b>Joint Authorities Cash Strategy Initiative</b> The Joint Authorities Cash Strategy (JACS) Group brings together HMT, PSR, FCA and BoE.		L	E					●
HMT, with input from BoE/FCA/ PSR	<b>Payments Landscape Review</b> A review of the UK's payments infrastructure and regulation.		L		E				●

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative E Formal engagement

# Insurance and reinsurance

Initiatives in this chapter reflect the international agenda to develop and enhance the regulatory framework across a number of dimensions, including enhancing liquidity management and ensuring resolvability.

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
FCA	<b>GI Pricing Practices</b> Publication of final reporting into GI Pricing Practices and consultation paper on remedies.	To be announced	H						●
FCA	<b>Access to Travel insurance</b> Implementation of requirements in PS20/03 to help consumers with more serious pre-existing medical conditions better navigate the travel insurance market.	To be announced	L						●
PRA	<b>IAIS Insurance Capital Standard monitoring period</b> Data submission exercise for large internationally active insurance groups (IAIGs).	31 October 2020: data submission	L						●
PRA	<b>Solvency II taxonomy 2.5</b> Annual update to the Solvency II taxonomy implementing validation changes.	31 December 2020: Implementation	L		E				
PRA	<b>Prudent Person Principle</b> Policy statement and supervisory statement.		L						
PRA	<b>Holistic framework: global monitoring exercise</b> Targeted assessment of the impact of COVID-19 on the global insurance sector.		L						●
PRA	<b>Holistic framework: liquidity risk management plan</b> In scope insurance firms will have to report their liquidity management plans.	Milestones are firm specific	L						
PRA	<b>Holistic framework: recovery planning</b> In scope insurance firms will be expected to develop recovery plans.	Milestones are firm specific	L						
PRA	<b>Holistic framework: resolution planning</b> The PRA will develop resolution plans with input from in scope insurance firms.	Milestones are firm specific	L						

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative   E Formal engagement

# Pensions and retirement income

The pensions and retirement income chapter includes four initiatives led by the FCA, two of which have been deferred. These initiatives are concerned with raising conduct and service standards within the sector.

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
FCA	<b>Fourth thematic review into DB-DC pension transfer advice (DB4) - data</b> Collected data from firms on the size and value of the Defined Benefit (DB) pension advice market.	To be announced	L		E				●
FCA	<b>Fourth Thematic Review into DB-DC pension transfer advice (DB4) - supervisory action</b> Supervisory and enforcement action on DB-DC pension transfer advice aimed at preventing unsuitable transfers out of DB schemes.	2020: Continued firm review throughout the year	L						
FCA	<b>Independent Governance Committees Effectiveness</b> Review the effectiveness of independent governance committees at a sample of firms.	To be announced	L						
FCA	<b>Assessing Suitability Review 2</b> Review of the advice consumers receive around retirement income.	To be announced	L						●

**Key**  
**Indicative impact:** H - high L - low **Timing:**  Timing confirmed  Timing tentative  E Formal engagement

# Retail investments

This chapter contains six initiatives, most of which are in the form of consultation or implementation of rule changes. All of these initiatives are concerned with improving consumer outcomes from financial advice and to ensure the market meets retail consumers' needs more generally. All but one of the initiatives in this chapter have been delayed due to Covid-19 impacts, with new dates yet to be confirmed.

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
FCA	<b>Open-ended Investment Companies</b> Rule changes for Exchange Traded Funds (ETF) Listing: Premium to Standard Listing for Open-Ended Investment Companies (OEIC).	1 October 2020: Consultation closes 2021: Implementation	L			E			●
FCA	<b>Prohibiting investment products referencing certain cryptoassets</b> Changes to prevent the sale, marketing and distribution of derivatives and exchange traded notes referencing cryptoassets to all retail consumers.	To be announced	L						●
FCA	<b>Platform exit charges</b> Consultation on proposed rules to ban exit fees following the Investment Platforms Market Study.	To be announced	L						●
FCA	<b>Platform transfer rules</b> Implementation of platform transfer rules.	1 February 2021: Implementation	L						●
FCA/HMT	<b>Evaluation of the Retail Distribution Review (RDR) and the Financial Advice Market Review (FAMR)</b> A joint HMT/FCA evaluation of the outcomes of RDR and FAMR.	2020: Continued firm engagement throughout the year	L		E	E			●

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative E Formal engagement



# Investment management

There are five initiatives in the investment management chapter, which are of lower impact to the sector.

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
FCA	<b>MIFID II product Governance assessments/Review of MIFID II implementation</b> Review of MiFID implementation to assess how asset managers oversee the design of their products, identify their target market and monitor their products and distribution activities, in compliance with MiFID II's product governance requirements.	To be announced	L						●
HMT	<b>Overseas Funds Regime</b> The introduction of new equivalence regimes for retail investment funds and money market funds.	11 May 2020: consultation closes To be included in upcoming Financial Services Bill	L	E					
BoE/FCA	<b>Survey into open ended funds</b> Survey covering c.300 funds.	Paused until further notice	L						●
FCA/HMT	<b>Review of the UK Funds Regime</b> A review of the UK's funds regime, covering direct and indirect tax, as well as relevant areas of regulation.	19 August 2020: consultation on tax treatment of asset-holding companies closes	L						●
FCA/HMT/ PRA	<b>Investment Firms Prudential Regime</b> The introduction of a new prudential regime for investment firms, currently regulated under rules made for banks and building societies.	To be included in upcoming Financial Services Bill	H		E				

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative E Formal engagement

# Wholesale financial markets

The Wholesale Financial Markets chapter contains three initiatives aimed at enhancing the regulatory framework across different dimensions, all of which are of lower impact to the sector.

Lead	Initiative	Key milestones for firms	Indicative impact	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Post Mar 2021	Timing amended for Covid-19
FCA	<b>Accessing and using wholesale data</b> Assessment of the use and value of data in wholesale financial markets, focussing on changes to business models, competitive dynamics, and how financial markets function.	1 October 2020: Call for Input closes	L			E			●
FCA	<b>Policy work on the EU Regulated Covered Bond Regulation</b> Implementation of the Bond Regulation in the UK.	To be announced	L						
FCA	<b>Market abuse</b> Producing individual guidance on the assessment, handling and disclosure of inside information for other industry regulators and public bodies to support issuers' understanding of obligations under MAR.	Q1 2020: Draft guidance published	L						

**Key**  
**Indicative impact:** H - high L - low **Timing:**   Timing confirmed   Timing tentative E Formal engagement