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Regulatory, monetary and fiscal policy initiatives in response to the COVID-19 pandemic

Summary of initiatives announced in the UK and pan-EU

Updated as of 3 May 2021

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Policy initiatives in response to the COVID-19 pandemic

What you will find in this document

This document outlines the key initiatives taken by governments, central banks, regulators and supervisors in the UK and at the EU-level since 11 March 2020 to support households, companies and the economy through the COVID-19 pandemic that have implications for the financial services sector.

We have classified these initiatives into the categories shown in the table of contents below.

Note: The material on fiscal policy initiatives is taken from Deloitte's report on government funding in response to COVID-19, which can also be found HERE.

TABLE OF CONTENTS

UK policy initiatives in response to the COVID-19 pandemic

Policy initiatives in response to the COVID-19 pandemic – UK

Fiscal policy (1/9)

Institution	Date	Sector	Headline	Summary	Link
HMT	11.03.20 20.03.20 03.03.20	Cross-sector	**COVID-19 Business Interruption Loan Scheme (CBILS)**	**Small business financial support:** • Currently established for businesses with turnover of up to £45m (up from £41m), available from week commencing 23 March 2020. • Lending scheme through the British Business Bank from £1,000 up to £5m (increased from up to £1.2m) per company with government meeting interest costs for the first 12 months. Finance terms are for up to 6 years for term loans and asset finance facilities, and for up to 3 years for overdrafts and invoice finance facilities. • The scheme provides the lender with a government-backed guarantee against 80% of the outstanding facility balance, potentially enabling a 'no' credit decision from a lender to become a 'yes'. NB – the borrower always remains 100% liable for the debt. • The first 12 months of these loans will be interest free, as the government will cover these payments as well as any lender-levied charges. • Scheme amended to applies to **ALL viable businesses**, **not just those that are unable to secure regular commercial funding.** • Personal guarantees prohibited for loans under £250,000. For loans over £250,000, personal guarantees are limited to 20% of amounts outstanding after recoveries of other assets and cannot be on principal homes. **Eligibility:** The route to accessing this financing is for borrowers to approach 40+ accredited lenders who will then, if necessary, apply to the scheme. To qualify, Small Businesses must: • Be UK based, with turnover of no more than £45 million per annum). • Application must be for business purposes. • Self-certify that the business has been adversely impacted by COVID-19. • For sole traders/freelancers, more than 50% of turnover must come from trading. The facility must primarily be used to support trading in the UK. • Company must have a borrowing proposal that would be viable were it not for COVID-19 and be able to demonstrate that the provision of finance will enable the business to trade through short to medium term difficulty • Operate within an eligible industrial sector (a small number of industrial sectors are not eligible for support). Click here to see list.	https://www.british-business-bank.co.uk/ourpartners/COVID-19-business-interruption-loan-scheme-cbils/ https://www.gov.uk/government/news/chancellor-strengthens-support-on-offer-for-business-as-first-government-backed-loans-reach-firms-in-need

Policy initiatives in response to the COVID-19 pandemic – UK

Fiscal policy (2/9)

Institution	Date	Sector	Headline	Summary	Link
HMT	11.03.20	Cross-sector	**Statutory sick pay (SSP) for SMEs**	The government will bring forward legislation to allow SMEs to reclaim SSP for sickness absence due to COVID-19. SSP is payable to qualifying employees and is now payable from day one for those who self-isolate or are unwell because of COVID-19 (the first 3 days are normally unpaid). The current rate of SSP is £94.25 per week. Employees must self-isolate for over four days to be eligible. HMT has announced that small and medium sized employers (those with fewer than 250 employees as of 28 February 2020) may recover this cost where SSP has been paid as a result of COVID-19 from 13 March for a maximum of two weeks' sickness per employee.	https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-who-are-paying-sick-pay-to-employees
HMT	11.03.20	Cross-sector	**Time to pay (TTP) arrangements**	TTP has been available to businesses for over a decade, but HMT has announced a stepping up of resource and a specific COVID-19 helpline that businesses can call. TTP allows a business to defer current (as opposed to prospective) tax debts (principally corporation / income tax, payroll taxes and VAT – but theoretically any other tax or duty) by converting settlement to instalments over a 3-12 months period. As part of the process, directors are expected to provide written confirmation that the instalment will be made on time. Any business is theoretically eligible to apply, although HMRC has made it clear that it sees itself in this instance as lender of last resort. Therefore, the taxpayer must demonstrate that all other sources of finance have been pursued and exhausted.	https://www.gov.uk/difficulties-paying-hmrc
HMT	11.03.20	Cross-sector	**Support for businesses that pay little or no business rates**	The government will provide additional funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBBR). As per an update on 17 March, this will provide a one-off grant of £10,000 to businesses currently eligible for SBRR or rural rate relief, to help meet their ongoing business costs. Scheme funding is expected to be available from 1 April 2020.	https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses

Policy initiatives in response to the COVID-19 pandemic – UK
Fiscal policy (3/9)

Institution	Date	Sector	Headline	Summary	Link
BoE/HMT	17.03.20 20.03.20 22.09.20	Cross-sector	**Covid Corporate Financing Facility (CCFF)**	The CCFF is designed to provide additional help to large firms to bridge through COVID-19-related disruption to their cash flows. The CCFF will provide funding to businesses by purchasing commercial paper of up to one-year maturity, issued by firms making a material contribution to the UK economy. The facility will offer financing on terms comparable to those prevailing in markets in the period before the COVID-19 economic shock and will be open to firms that can demonstrate they were in sound financial health prior to the shock. In this regard, firms must have had a short or long-term rating of investment-grade or financial health equivalent to an investment grade rating. The facility will look through temporary impacts on firms' balance sheets and cash flows by basing eligibility on firms' credit ratings prior to the COVID-19 shock. Businesses do not need to have previously issued commercial paper in order to participate. See here for more details on how the facility is priced and how much can be issued. The scheme will operate for at least 12 months, with the possibility to extend for as long as needed. On 20 March, the Bank of England (BoE) published a Q&A, setting out what firms need to do to access the facility. The Q&A also outlines how companies thinking of issuing commercial paper can take part, and information is provided for banks acting on behalf of companies. On 22 September the BoE published an update announcing the CCFF scheme would close for new purchases of CP from eligible issuers with effect from 23 March 2021. This means that the Facility will make no purchases of CP after 22 March 2021.	https://www.bankofengland.co.uk/news/2020/march/hmt-and-boe-launch-a-covid-corporate-financing-facility Additional BoE information: https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility Further BoE announcement: https://www.bankofengland.co.uk/markets/market-notices/2020/update-on-the-covid-corporate-financing-facility-22-september-2020
HMT	17.03.20	Cross-sector	**Grants for retail, hospitality and leisure businesses**	A £25,000 grant will be provided to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value between £15,000 and £51,000. Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority. The scheme is not eligible where there is occupation for personal uses. In addition, businesses which as of 11 March were in liquidation or were dissolved will be ineligible. The maximum permitted support under EU state aid is EUR800,000.	https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses

Policy initiatives in response to the COVID-19 pandemic – UK

Fiscal policy (4/9)

Institution	Date	Sector	Headline	Summary	Link
HMT	20.03.20 27.03.20	Cross-sector	**COVID-19 Job Retention Scheme**	Payroll support for all firms in the UK. • Grant support to cover up to 80% of reference salary plus associated costs of anyone not working due to Coronavirus but whose job has been retained. • The maximum grant will be £2,500 plus employer National Insurance plus the minimum auto-enrolment pension contribution. • Employees can be deemed "furloughed" from 1 March 2020 and must be "furloughed" for at least 3 continuous weeks. • Furloughing requires employee-employer agreement in writing. • Scheme runs from 1 March to 30 June and may be extended further. • No limit on the total level of funding available. • Grant portal due to open on 20 April 2020 with grants due to be paid within 4-6 days of claims made. • At the end of a furlough period employees return to work or may be made redundant (subject to normal employment law obligations) **Eligibility:** • Covers any employer, business, charity or non-for-profit organisation in the UK who has a PAYE scheme set up on 19 March 2020. • Public sector employers and non-public sector employers who are primarily funded form public funds are not expected to participate • Eligible employees must have been paid earnings during the 2019/20 tax year with an RTI payroll submission made on or before 19 March • Applies to full, part-time, flexible or zero-hour and agency contracts. • Applies to UK businesses and those on the UK PAYE scheme, including foreign nationals. • Calculation of the grant is based on defined elements of pay which meet the test of being "regular" and for salaried staff are based on reference salary paid in the pay period that ends before 19 March 2020. For variably paid employees it is based on the greater of the pay from the corresponding calendar period in 2019 or the average of 2019/20 tax year reference salary, excluding furlough periods.	https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-through-the-COVID-19-job-retention-scheme Additional information: https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme

Policy initiatives in response to the COVID-19 pandemic – UK

Fiscal policy (5/9)

Institution	Date	Sector	Headline	Summary	Link
HMT	20.03.20	Cross-sector	**Rates relief**	All property occupiers in the retail, leisure and hospitality sectors including shops, cinemas, restaurants, music venues, museums, art galleries, theatres, caravan parks, gyms, small hotels, B&Bs, guest houses, sports clubs, night clubs and club houses and nurseries will receive 100% rates relief between 1 April 2020 and 31 March 2021.	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/873622/Expanded_Retail_Discount_Guidance.pdf
HMT	20.03.20	Cross-sector	**Deferral of income tax and VAT payments**	**Income tax:** • Income tax payments on account due under Self-Assessment on 31 July 2020 will be deferred until 31 January 2021. • The measure will apply to all self-employed individuals and we anticipate that this will also include partners in trading partnerships **VAT:** • VAT payments due from businesses between 20 March 2020 and the end of June 2020 will be deferred. • No VAT registered business will have to make a VAT payment normally due with their VAT return to HMRC in this period. Payment of VAT will be deferred to the end of the tax year. • We await HMRC guidance but anticipate that the measure will apply to all businesses registered for UK VAT Additionally, HM Treasury announced that the standard rate in Universal credit and Tax Credits will be increased by £20 a week for one year from April 6th.	https://www.gov.uk/government/news/chancellor-announces-workers-support-package

Policy initiatives in response to the COVID-19 pandemic – UK

Fiscal policy (6/9)

Institution	Date	Sector	Headline	Summary	Link
HMT	26.03.20	Cross-sector	**Self-Employed Income Support Scheme**	Those eligible for the scheme will receive a cash grant worth 80% of their average monthly trading profit over the last three years, up to a maximum grant of £2500 per calendar month. The scheme will run for three months, although it can be extended if necessary, and will be open to those with a trading profit of less than £50,000 in 2018-19 or an average trading profit of less than £50,000 from 2016-17, 2017-18 and 2018-19. Also, to be eligible, individuals must make more than 50% of their income from self-employment or as a member of a trading partnership, and profits must have been negatively affected by COVID-19. Payments will be made as a single lump sum and will begin at the start of June. To allow for taxpayers who may not have filled their 2018/19 tax return (due by 31 January 2020), those who meet the qualifying criteria and file before 23 April will be eligible. Those eligible for the scheme will be able to continue doing business whilst claiming the grant.	https://www.gov.uk/government/news/chancellor-gives-support-to-millions-of-self-employed-individuals
HMT	28.03.20	Cross-sector	**Insolvency legislation reformed**	Measures announced to support businesses struggling to survive as a result of COVID-19: • Fast track implementation of planned reforms to the corporate insolvency framework. • Temporary suspension of the wrongful trading provisions, retrospectively from 1 March, for three months. Planned government legislation to fast track new legislation introducing: • A short moratorium protecting companies from creditor action. • A new restructuring tool. • Prohibit the termination of essential supplies to protect the supply chain for companies undergoing a restructuring.	https://www.gov.uk/government/news/regulations-temporarily-suspended-to-fast-track-supplies-of-ppe-to-nhs-staff-and-protect-companies-hit-by-covid-19

Policy initiatives in response to the COVID-19 pandemic – UK

Fiscal policy (7/9)

Institution	Date	Sector	Headline	Summary	Link
HMT	03.04.20 20.04.20	Cross-sector	**COVID-19 Large Business Interruption Loan Scheme (CLBILS) launched**	Financial support for large businesses: • For businesses with turnover of > £45m. • Loan thresholds will be £25m where turnover is £45m-250m, and £50m where turnover is over £250m • Loans of up to £50m backed by 80% government guarantee. NB: the borrower always remains 100% liable for the debt • Unlike the CBILS scheme there is no indication (at the moment) that any interest on fees will be covered by Government. Lenders will pay a fee to access the guarantee. The maximum repayment term is three years • Personal guarantees are prohibited for loans under £250,000. For loans over £250,000 personal guarantees are limited to 20% of amounts outstanding after recoveries of other assets and cannot be on principal homes	https://www.gov.uk/government/news/chancellor-strengthens-support-on-offer-for-business-as-first-government-backed-loans-reach-firms-in-need **Accredited lenders**
HMT	21.04.20	Cross-sector	**COVID-19 business support finder tool launched**	The UK government has launched a tool to help businesses and self-employed people determine what financial support is available to them. A questionnaire will signpost business owners to relevant government financial support.	https://www.gov.uk/government/news/government-launches-new-coronavirus-business-support-finder-tool
HMT	27.04.20	Cross-sector	**Bounce Back loan scheme**	**Loan scheme for small and medium sized businesses backed by a 100% Government Guarantee** • Loans of between £2,000 and £50,0000 (up to 25% of turnover) • The Government will guarantee 100% of the loan and there will be no fees or interest for the first 12 months • Loan terms will be for up to 6 years • The scheme will be delivered through a network of accredited lenders	https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan
HMT	27.04.20	Cross-sector	**Statement on the launch of bounce back loans**	The scheme, dedicated to small businesses, announced by HM Treasury will enable firms to borrow between £2,000 and £50,000 and access the cash within days. Loans will be interest free for the first 12 months, and the application system will be fast-tracked. The Government will provide a 100% guarantee on these loans.	https://www.gov.uk/government/news/small-businesses-boosted-by-bounce-back-loans

Policy initiatives in response to the COVID-19 pandemic – UK

Fiscal policy (8/9)

Institution	Date	Sector	Headline	Summary	Link
HMT	13.05.20	Cross-sector	**Government to temporarily guarantee business-to-business transactions currently supported by trade credit insurance**	The guarantee will be delivered through a temporary reinsurance agreement with insurers currently operating in the market. The guarantees will cover trading by domestic firms and exporting firms and the intent is for agreements to be in place with insurers by end of this month. The guarantee will be temporary and targeted to cover COVID-19 economic challenges and will provisionally last until the end of the year.	https://www.gov.uk/government/news/government-to-support-businesses-through-trade-credit-insurance-guarantee
HMT	19.05.20	Cross-sector	**Maximum loan size available through the Coronavirus Large Business Interruption Loan Scheme (CLBILS) extended to £200 million**	The maximum loan size is being increased from £50 million. In addition, companies borrowing more than £50 million through CLBILS will be subject to restrictions on dividend payments, senior pay and share buy-backs during the period of the loan, including a ban on dividend payments and cash bonuses, except where they were previously agreed.	https://www.gov.uk/government/news/larger-businesses-to-benefit-from-loans-of-up-to-200-million
HMT	09.06.20	Cross-sector	**Statement on support package for debt advice providers to support customers affected by COVID-19**	The package of £37.8 million will be available to debt advice providers this year (2020-2021) to ensure that they continue providing essential services to help people through financial hardship. The Money and Pensions Service will oversee the allocation of the funds, including to charities, for debt advice and other money guidance services.	https://www.gov.uk/government/news/almost-38-million-support-package-for-debt-advice-providers-helping-people-affected-by-coronavirus

Policy initiatives in response to the COVID-19 pandemic – UK
Fiscal policy (9/9)

Institution	Date	Sector	Headline	Summary	Link
HMT	24.09.20	Cross-sector	**Job Support Scheme (JSS)**	• The JSS is designed to protect viable jobs during the winter period and begins from 1 November 2020, immediately after the Coronavirus Job Retention Scheme (CJRS) ceases. • The JSS is due to run for 6 months to 30 April 2021 and is not sector-specific. During the JSS employers will be able to recover part of the costs of pay for time not worked by employees. • Eligible employees will be required to agree to give up 1/3rd of their normal pay for unworked periods. Their pay for the unworked period will be funded 1/3rd by their employer and 1/3rd by government grant (subject to a cap of £697.92 per month). The final 1/3rd having been given up by the employee. • Employers will pay for worked time at the employee's usual contractual rate. • Employers should not "top-up" the final 1/3rd of pay given up by employees. • The government grant will not cover the cost of employer National Insurance or pension contributions. • Grants will be paid in arrears and can be paid in addition to claims made under the Job Retention Bonus scheme.	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921389/Job_Support_Scheme_Factsheet.pdf
BoE	28.01.21	Cross-sector	**Update on the COVID Corporate Financing Facility (CCFF) – Market Notice 9 October 2020**	The BoE published a Market Notice updating its previous statements and confirming that the CCFF will close for new purchases from 23 March 2021. The updated Market Notice is meant to provide further clarity of the existing policy.	https://www.bankofengland.co.uk/markets/market-notices/2020/update-on-the-ccff-market-notice-9-october-2020

Policy initiatives in response to the COVID-19 pandemic – UK

Monetary policy and liquidity/market operations (1/4)

Institution	Date	Sector	Headline	Summary	Link
BoE (MPC)	11.03.20 19.03.20 26.03.20	Cross-sector	**Reduction in Bank Rate**	Following its decision on 11 March to reduce the Bank Rate to 0.25%, the MPC voted to further reduce the Bank Rate by 15 basis points to 0.1%. On 26 March, the MPC voted to uphold this rate.	https://www.bankofengland.co.uk/news/2020/march/boe-measures-to-respond-to-the-economic-shock-from-COVID-19 https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2020/monetary-policy-summary-for-the-special-monetary-policy-committee-meeting-on-19-march-2020 https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2020/march-2020
BoE (MPC)	11.03.20 19.03.20 26.03.20	Cross-sector	**Increase holdings of UK government and corporate bonds**	After announcing on 11 March to maintain the stock of UK government bond purchases at £435 billion and the stock of sterling non-financial investment-grade corporate bond purchases at £10 billion, the MPC announced plans to increase holdings of UK government bonds and sterling non-financial investment-grade corporate bonds by £200 billion to £645 billion, financed by the issuance of central bank reserves. On 26 March, the MPC voted to continue with the programme. The BoE published a market notice on 2 April setting out more detail. The BoE sets out the criteria for eligibility of issuers, securities, counterparties and applications. It also sets out the operating parameters, including the purchase process, size of operations, the transaction process, and submission of offers.	https://www.bankofengland.co.uk/news/2020/march/boe-measures-to-respond-to-the-economic-shock-from-COVID-19 https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2020/monetary-policy-summary-for-the-special-monetary-policy-committee-meeting-on-19-march-2020 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/873870/170320.pdf https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2020/march-2020 https://www.bankofengland.co.uk/markets/market-notices/2020/asset-purchase-facility-additional-corporate-bond-purchases

Policy initiatives in response to the COVID-19 pandemic – UK

Monetary policy and liquidity/market operations (2/4)

Institution	Date	Sector	Headline	Summary	Link
BoE	11.03.20 06.04.20	Cross-sector	**Term Funding Scheme with additional incentives for SMEs (TFSME) announced**	The TFSME, financed by the issuance of central bank reserves, will over the next 12 months offer four-year funding of at least 10% of participants' stock of real economy lending at interest rates at, or very close to, Bank Rate. Experience from the Term Funding Scheme launched in 2016 suggests that the TFSME could provide in excess of £100 billion in term funding. The scheme will open for drawings on 15 April.	https://www.bankofengland.co.uk/markets/market-notices/2020/term-funding-scheme-market-notice-mar-2020 https://www.bankofengland.co.uk/-/media/boe/files/news/2020/april/the-tfsme-will-open-to-drawings-on-15-april-2020.pdf?la=en&hash=B0F464E6B6B59BA698C7E1EF95212CCC2863F8FC
BoE	15.03.20	Cross-sector	**Coordinated central bank action to enhance the provision of US dollar repo operations**	The BoE, in coordination with the Bank of Canada, Bank of Japan, ECB, Federal Reserve and the Swiss National Bank, has enhanced the provision of liquidity via the standing US dollar liquidity swap line arrangements. The group reached an agreement to lower the pricing on standing USD liquidity swap arrangements by 25 basis points (bps), so that the new rate will be the USD overnight index swap rate plus 25bps. The foreign central banks with USD liquidity operations have also agreed to begin offering USD with an 84 day maturity weekly in each jurisdiction, in addition to the one week maturity operations currently offered. These changes took effect on March 16 2020. On 20 March, the group announced further coordination, agreeing to increase the frequency of 7-day maturity operations from weekly to daily, commencing 23 March 2020, and continuing to at least the end of April. The group will also continue to hold weekly 84-day maturity operations.	https://www.bankofengland.co.uk/news/2020/march/coordinated-central-bank-action-to-enhance-the-provision-of-global-us-dollar-liquidity https://www.bankofengland.co.uk/markets/market-notices/2020/further-enhancements-to-the-provision-of-us-dollar-repo-operations-market-notice-march-2020 See also: https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200320_1~be7a5cd242.en.html
BoE	24.03.20 30.03.20	Cross-sector	**Contingent Term Repo Facility (CTRF) launched**	The CTRF is a flexible liquidity insurance tool that allows participants to borrow central bank reserves in exchange for less liquid assets, helping to alleviate recent frictions in money markets. It will run alongside the Bank's existing liquidity facilities. The CTRF will lend reserves for three months. On 30 March, the Bank announced an extension of the facility – three-month term CTRF operations will continue to run weekly until 30 April. In addition, beginning w/c 30 March, there will also be a 1-month term CTRF operation each week, with the final operation scheduled on 1 May 2020.	https://www.bankofengland.co.uk/news/2020/march/boe-launches-contingent-term-repo-facility https://www.bankofengland.co.uk/markets/market-notices/2020/extension-of-the-contingent-term-repo-facility

Policy initiatives in response to the COVID-19 pandemic – UK

Monetary policy and liquidity/market operations (3/4)

Institution	Date	Sector	Headline	Summary	Link
HMT/BoE	09.04.20	Cross-sector	**Temporary extension to Ways and Means (W&M) facility**	HMT and the BoE announced the temporary measure as a short-term source of additional liquidity for the government, to smooth its cash flows and support the orderly functioning of markets through the disruption caused by COVID-19. The W&M facility is the government's pre-existing overdraft at the BoE. Any drawings will be repaid as soon as possible before the end of the year.	https://www.bankofengland.co.uk/-/media/boe/files/news/2020/april/hmt-and-boe-announce-temporary-extension-to-ways-and-means-facility.pdf
BoE	22.04.20	Cross-sector	**Statement on increase to Asset Purchase Facility (APF) gilt lending limits**	The BoE and the UK Debt Management Office (DMO) announced they are doubling the proportion of gilts held in the APF that are made available to the DMO to use in its market operations and for the DMO's Standing and Special Repo Facilities. When combined with the current ongoing expansion of gilt holdings this will mean the DMO can access in excess of £30 billion of the APF's gilt holdings for on-lending to the market. There will be no specific limit on particular stocks.	https://www.bankofengland.co.uk/-/media/boe/files/markets/asset-purchase-facility/joint-bank-dmo-statement-on-gilt-lending.pdf?la=en&hash=F3A7D3C66AD3D7F0CC0B6F0ACADDED68CDCA19EF%0a
BoE	19.05.20	Cross-sector	**Update to the terms of the Covid Corporate Financing Facility**	Businesses that wish to draw from the CCFF for a term extending beyond 19 May 2021 will need to send a letter to HMT that commits to showing restraint in the payments of dividends and other capital distributions, and on senior pay during the period in which their commercial paper is outstanding. Secondly, businesses which have used the CCFF will be able to repay their drawings early if they choose to do so. Finally, HMT and the BoE have decided to publish the names of the businesses that have used CCFF, as well as the amounts borrowed. The BoE has updated its market notice to reflect these changes.	https://www.bankofengland.co.uk/news/2020/may/update-to-the-covid-corporate-financing-facility
PRA	22.05.20	Cross-sector	**Update on the Contingent Term Repo Facility (CTRF)**	The Bank discontinued 3-month CTRF operations at the end of May 2020. The final operation was scheduled to take place on 28 May.	https://www.bankofengland.co.uk/markets/market-notices/2020/update-on-the-contingent-term-repo-facility-22-may-2020
BoE	08.06.20	Cross-sector	**Article on COVID-19's effects on economic activity and inflation**	The short article sets out the channels through which COVID-19 has affected economic activity - namely the public health measures to contain the disease; as well as amplifiers, such as uncertainty, and inflation.	https://www.bankofengland.co.uk/bank-overground/2020/how-does-covid-19-affect-economic-activity-and-inflation

Policy initiatives in response to the COVID-19 pandemic – UK

Monetary policy and liquidity/market operations (4/4)

Institution	Date	Sector	Headline	Summary	Link
BoE	06.08.20	Cross-sector	**Monetary Policy Report (MPR)**	The Monetary Policy Committee (MPC) voted unanimously to maintain the Bank Rate at 0.1%, and to maintain its stock of asset purchases at £745bn. While the MPC said that the initial hit to output from lockdown measures had not been quite as severe as it predicted, it expects output to be 20% lower in Q2 2020 than it had been in Q4 2019. Unemployment is expected to begin to decline gradually from the start of 2021, and GDP is not expected to exceed its level in Q4 2019 until the end of 2021.	https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-report/2020/august/monetary-policy-report-august-2020.pdf?la=en&hash=75D62D3B4C23A8D30D94F9B79FC47249000422FE
BoE	05.11.20	Cross-sector	**Bank Rate held at 0.1% and asset purchases increased by £150bn**	The Bank's Monetary Policy Committee voted unanimously for the measures on 4 November. The Committee also voted unanimously for the Bank to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £20 billion.	https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-summary-and-minutes/2020/november-2020.pdf https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-report/2020/november/monetary-policy-report-nov-2020.pdf

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Capital and stress testing (1/8)

Institution	Date	Sector	Headline	Summary	Link
BoE (FPC)	12.03.20	Banking	**FPC reduces CCyB to zero**	Reduction of countercyclical capital buffer (CCyB) to 0%. The rate had been 1% and had been due to reach 2% by December 2020. The FPC expects to maintain the 0% rate for at least 12 months, so that any subsequent increase would not take effect until March 2022 at the earliest.	https://www.bankofengland.co.uk/news/2020/march/boe-measures-to-respond-to-the-economic-shock-from-covid-19
BoE/FPC/PRA	11.03.20 11.03.20	Banking	**Statement on drawdown of buffers**	The FPC announced that all elements of banks' capital and liquidity buffers can be drawn down as necessary to support the wider economy through the shock caused by COVID-19. Alongside the FPC's announcement, the PRA set out its expectation that firms should not increase dividend and other distributions in response to draw down of buffers.	https://www.bankofengland.co.uk/news/2020/march/boe-measures-to-respond-to-the-economic-shock-from-covid-19 https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-by-the-pra-accompanying-measures-announced-by-the-fpc
BoE/FPC	11.03.20 11.03.20	Insurance	**Insurance companies invited to request recalculation of transitional measures**	In response to falling government bond yields in the preceding weeks, the PRC invites requests from insurance companies to use the flexibility in Solvency II regulations to recalculate transitional measures that smooth the impact of market movements. The PRA has invited firms to apply for a recalculation of the Transitional Measures on Technical Provisions (TMTP) due to movements in risk-free rates and the risks posed by COVID-19, and is willing to accept applications from firms to recalculate TMTP as at 31 March 2020.	https://www.bankofengland.co.uk/news/2020/march/boe-measures-to-respond-to-the-economic-shock-from-covid-19 https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-by-the-pra-accompanying-measures-announced-by-the-fpc
BoE/PRA	20.03.20	Banking	**Cancellation of 2020 annual cyclical scenario (ACS) stress test**	The planned 2020 stress test for the eight major UK banks and building societies – known as the annual cyclical scenario (ACS) – is cancelled.	https://www.bankofengland.co.uk/news/2020/march/boe-announces-supervisory-and-prudential-policy-measures-to-address-the-challenges-of-COVID-19
BoE/PRA	20.03.20	Banking	**Amendments to timetable for the Biennial Exploratory Scenario (BES) exercise**	On liquidity, the BoE was due to publish the results of the 2019 BES on liquidity in mid-2020. In order to alleviate burdens on core treasury staff at banks, this exercise has been paused until further notice. Second, in terms of climate risk, the BoE published a discussion paper on the 2021 BES on the financial risks from climate change on 18 December 2019. The Bank will take stock of responses as well as the evolving situation, with a view to announcing the way forward in the summer.	https://www.bankofengland.co.uk/news/2020/march/boe-announces-supervisory-and-prudential-policy-measures-to-address-the-challenges-of-COVID-19

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Capital and stress testing (2/8)

Institution	Date	Sector	Headline	Summary	Link
BoE	20.03.20	Banking	**Potential delay to Basel 3.1 implementation in the UK**	On 20 March the UK government announced that it will be introducing legislation that will enable the implementation of Basel 3.1 in the UK. The PRA acknowledges that the existing Basel timetable may prove to be challenging, and is coordinating internationally to ensure that implementation will happen alongside other major jurisdictions. On 27 March the Basel Committee on Banking Supervision (BCBS) announced that the global target implementation date for revisions to Basel 3 (Basel 3.1) will be delayed from 1 January 2022 to 1 January 2023. On 31 March, HMT and the PRA issued a joint statement welcoming the delay to Basel 3.1 implementation. Both institutions state that they remain committed to the full, timely and consistent implementation of Basel 3.1 and will work together towards a UK implementation timetable that is consistent with the one year delay.	https://www.bankofengland.co.uk/news/2020/march/boe-announces-supervisory-and-prudential-policy-measures-to-address-the-challenges-of-COVID-19 https://www.bis.org/press/p200327.htm
PRA	30.03.20	Banking	**Statement on VAR back-testing exceptions temporary approach**	In order to mitigate the possibility of pro-cyclical market risk capital requirements through the automatic application of a higher VAR multiplier the PRA will allow firms – on a temporary basis – to offset increases due to new exceptions through a commensurate reduction in risks-not-in-VAR (RNIV) capital requirements.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2020/var-back-testing-exceptions-temporary-approach.pdf?la=en&hash=2C747DA5257758AE3AF33B47DE2D29F7DBB2D86F
PRA	30.03.20	Banking	**Statement on exposure value for internal models method counterparty credit risk**	The PRA states that it is aware that some firms have recently experienced significant moves in Counterparty Credit Risk (CCR) risk-weighted assets (RWAs), and it understands that these moves are partially attributable to large margin calls following significant intraday market price movements.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2020/exposure-value-for-internal-models-method-counterparty-risk.pdf?la=en&hash=E5EA72573DD4D787ABDD939427E8A1F47CB05B25

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Capital and stress testing (3/8)

Institution	Date	Sector	Headline	Summary	Link
PRA	31.03.20	Banking	**Dear CEO letters to largest UK banks outlining the PRA's expectations that they should cancel the distribution of outstanding 2019 dividends**	The PRA published a series of individual Dear CEO letters to the six largest UK deposit-taking banks and the Nationwide building society. In the letter, PRA CEO Sam Woods asked the banks to cancel all outstanding payments of 2019 dividends and to take other measures to ensure profits are not distributed, including not paying any cash bonuses to senior staff and material risk takers, or to initiate any share buybacks on ordinary shares. Following statements released by the banks informing of their intention to comply with the request, the PRA released a statement outlining its assessment that UK banks are currently sufficiently capitalised to withstand the combined impact of a "severe" recession in the UK and globally. In this context, they describe the dividend decisions taken yesterday as a "sensible precautionary step" due to the role that banks will have to play in supporting the wider economy through the disruption caused by COVID-19. They underline their view that the decision to request the cancellation of 2019 dividends does not reflect an opinion that these measures are needed to help banks maintain adequate capital positions.	https://www.bankofengland.co.uk/prudential-regulation/letter/2020/letter-from-sam-woods-to-uk-deposit-takers-on-dividend-payments-share-buybacks-and-cash-bonuses https://www.bankofengland.co.uk/prudential-regulation/publication/2020/pra-statement-on-deposit-takers-approach-to-dividend-payments-share-buybacks-and-cash-bonuses
PRA	31.03.20	Insurance	**Dear CEO letters to UK insurers on the distribution of profits**	The PRA expects boards to pay close attention to the need to protect policyholders and maintain safety and soundness when considering any distributions to shareholders or making decisions on variable remuneration, in order to support the economy throughout the disruption arising from COVID-19. The letter reminds insurers that according to Supervisory Statement 4/18, boards should satisfy themselves that each distribution is prudent and consistent with their risk appetite. It also states that in the current situation of "high uncertainty", it is critical that insurers manage their financial resources prudently in order both to ensure that they are able to meet the commitments they have made to policyholders in a way that is consistent with the expectations of the Financial Conduct Authority, and to enable them to continue to invest in the economy.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/letter/2020/letter-from-sam-woods-to-insurers-distribution-of-profits.pdf?la=en&hash=C1FF7D6C560E1C377CC35C1513E27F16646A1B70

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Capital and stress testing (4/8)

Institution	Date	Sector	Headline	Summary	Link
PRA	09.04.20	Banking	**Systemic Risk Buffer (SRB) maintained at December 2019 level**	The PRA decided to maintain SRB rates at the rate set in December 2019, in response to the economic shock from COVID-19, until at least December 2021.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2020/pra-decision-on-srb-rates.pdf?la=en&hash=F2888919B63C42E52BAE8C1BE5E9CE478CD420A4
PRA	20.04.20	Banking	**Q&A on the use of banks' capital and liquidity buffers**	The PRA states its expectation that banks should prioritise continuing to provide services to the wider economy, even if it means their LCR ratio goes significantly below 100%. The Q&A also covers the implications for banks of using their liquidity buffers – reiterating that LCR breaches will not automatically trigger any automatic restrictions. On capital, the PRA gives an overview of the implications of using capital buffers, including the automatic restriction of distributions that banks will face upon using their publicly disclosed regulatory buffers. For both capital and liquidity, there is no pre-specified time period in which buffers should be restored, and the PRA will give banks a specific time period based on banks' individual circumstances. In the case of capital, this is likely to be a significant time after the end of the current stress.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2020/qanda-on-the-use-of-liquidity-and-capital-buffers.pdf?la=en&hash=151DF13BD8CA7E3755D515BC5A44F9A299C1235D
BoE	07.05.20	Banking	**Statement by the BoE and PRA on resolution measures and COVID-19**	The BoE and PRA set out changes to resolution measures to alleviate operational burdens on firms, announcing changes to the Resolvability Assessment Framework, Valuation in Resolution, resolution plan reporting, and Minimum Requirement for Own Funds and Eligible Liabilities (MREL).	https://www.bankofengland.co.uk/-/media/boe/files/news/2020/may/statement-by-the-bank-of-england-and-pra-on-resolution-measures-and-covid-19.pdf?la=en&hash=4E8567A6ED4BDA7DE5B9D27CC80B1331F2CCA653
PRA	04.05.20	Banking	**Statement on credit risk mitigation eligibility and leverage ratio treatment of loans under the Bounce Back Loan scheme**	The PRA set out its observations on the risk weighted treatment of exposures under the scheme, particularly eligibility for recognition as unfunded credit risk mitigation (CRM) under the Capital Requirements Regulation (CRR). In regards to the UK leverage ratio framework, the PRA is offering a modification by consent for banks subject to the UK Leverage Ratio to exclude loans under this scheme from the leverage ratio total exposure measure, if they choose to do so.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2020/statement-on-bbls-and-leverage-ratio-treatment.pdf?la=en&hash=41877EE26855CDC6E8EAD0A5BFA3485C4D953656

Policy initiatives in response to the COVID-19 pandemic – UK
Supervisory policy: Capital and stress testing (5/8)

Institution	Date	Sector	Headline	Summary	Link
PRA	07.05.20	Banking	**Statement by the PRA on conversion of Pillar 2A capital requirements from RWA percentage to nominal amount**	For the 2020 and 2021 SREP processes, the PRA will set the Pillar 2A as a nominal amount, rather than as a percentage of capital requirements. This will allow banks to increase their lending, including under government support schemes, with the Pillar 2A capital buffer not rising commensurately.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/conversion-of-pillar-2a-capital-requirements-from-rwa-percentage-to-a-nominal-amount
PRA	17.06.20	Insurance	**Insurance Stress Test (ST) 2019 and COVID-19 stress test results and feedback to firms**	For COVID-19 stresses, while the sector was robust to downside stresses, some assumptions made by firms around the robustness of their policy wordings mean that more severe scenarios could have a significant impact on some firms' capital positions. The General Insurance ST suggested the industry is resilient to natural catastrophe risks, but reliant on significant levels of reinsurance. The life insurance ST highlighted learning areas around the design and specification of its scenarios, and inconsistencies in datasets. The climate scenario showed significant gaps in the industry's capability to evaluate climate-related scenarios, including gaps in data, tools, processes, and technologies.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/letter/2020/insurance-stress-test-2019-feedback.pdf?la=en&hash=BF3DF52210D9CBAF6FED788E35DB8530A74B5337
PRA	24.06.20	Banking	**Statement on implementation of the EBA Guidelines to address gaps in reporting data and public information in the context of COVID-19**	The PRA is not requiring UK firms to prepare or transmit to the PRA the reporting templates contained within the EBA Guidelines on Covid-19 reporting and disclosure. The PRA is considering how the disclosure elements of the Guidelines are to be applied in a manner reflecting both the proportionality measures in the Guidelines and the letter from Sam Woods to UK deposit-takers on IFRS 9 and capital requirements aspects of initial and further payment deferrals and FCA guidance. The PRA will provide further details in due course.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-on-eba-guidelines-reporting-data

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Capital and stress testing (6/8)

Institution	Date	Sector	Headline	Summary	Link
PRA	30.06.20	Banking	**Statement on the CRR2 Quick Fix**	The PRA notes that firms currently operating under the IFRS 9 transitional arrangements will need to update their transitional arrangement add-back factors. The PRA also notes that should firms be considering stopping using the IFRS 9 transitional arrangements, they will need to seek permission from the PRA. The PRA also commented on those aspects of the Quick Fix which were not derived from international agreements – the acceleration of SME and infrastructure factors, and changes to capital deduction of software assets – and noted that it would analyse the impact of those proposals. The PRA noted it may make Pillar 2 adjustments if necessary for financial stability purposes.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-on-crr-quick-fix
PRA	06.07.20	Banking	**Policy Statement on reconciling Pillar 2A capital requirements and macro-prudential buffers**	In general, the PRA has not changed its planned approach, set out in its consultation on the topic published in early March. However, in response to the COVID-19 pandemic, the PRA has decided to temporarily increase the PRA buffer for firms that will receive a reduction in Pillar 2A as a result of the new policy. Specifically, the CET1 component of the reduction will be temporarily added to the PRA buffer. This will leave CET1 requirements unchanged for those firms. Firms that do not benefit from a reduction in Pillar 2A will not face a PRA Buffer add-on. The Policy Statement applies as of 6 July, and any reduction to P2A (and add-on to the PRA buffer) will be made on or before 16 December 2020.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/policy-statement/2020/ps1520.pdf?la=en&hash=8FEBCB779D8FE8FB6328AB57AF79AA47B4914614
PRA	06.07.20	Insurance	**Statement to insurers on the application of the matching adjustment (MA) during Covid-19**	The PRA reminded firms that there is generally no requirement or expectation to sell downgraded assets as long as the MA Portfolio (MAP) continues to comply with the Solvency II regulations and firms' own governance and risk management systems, but that any material change to the management or scope of MAP after approval has been granted will require a new application for approval.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2020/statement-covid19-prudential-insurers.pdf?la=en&hash=2CA116386186B07B8C0CA1D809DD1ACBB6C21A42

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Capital and stress testing (7/8)

Institution	Date	Sector	Headline	Summary	Link
HMT	16.07.20	Banking	**Statement on applicability of COVID-19 related amendments to Capital Requirements Regulations**	HMT discusses its approach to the onshoring of measures from the CRR Quick Fix package in the UK regulatory framework. All the provisions of the Quick Fix will be on-shored in the UK, with two exceptions: 1) amendments to article 429a, setting out the basis on which central bank exposures may be excluded from the leverage ratio and; 2) the Leverage Ratio G-SIB buffer, which will apply from 1 January 2023. Those two provisions will not be on-shored at the end of the transition period, as both are due to apply in EU law after the end of the transition period.	https://www.gov.uk/government/publications/hmt-statement-on-applicability-of-covid-19-related-amendments-to-capital-requirements-regulations
PRA	06.08.20	Banking	**Financial Stability Report (FSR)**	The FSR covers the Financial Policy Committee (FPC)'s analysis of the resilience of the banking sector and includes a 'reverse stress test' – i.e. a stress test that analyses how much worse the economic scenario would have to be than the MPC's central projection in order for banks to deplete their capital buffers significantly. The report also covers payments innovation, LIBOR transition, fund liquidity, the resilience of market-based finance, and the financial stability implications of the UK's exit from the European Union.	https://www.bankofengland.co.uk/report/2020/monetary-policy-report-financial-stability-report-august-2020
PRA	27.08.20	Banking	**Update to the temporary approach to VAR back-testing exceptions to mitigate the possibility of excessively pro-cyclical market risk capital requirements**	The PRA decided, in light of amendments to the CRR in response to COVID-19 (CRR Quick Fix), to terminate its temporary approach to VAR back-testing exceptions from 30 September 2020. From 1 October 2020 onwards, firms should no longer apply any commensurate reduction in RNIV capital requirements. For back-testing exceptions that occur between 1 January 2020 and 31 December 2021 that do not result from deficiencies in their internal model, firms should now apply to the PRA in accordance with CRR Article 500c to exclude those exceptions from the calculation of their back-testing add-on.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2020/var-back-testing-exceptions-temporary-approach.pdf?la=en&hash=2C747DA5257758AE3AF33B47DE2D29F7DBB2D86F
PRA	07.12.20	Banking	**PRA decision on Systemic Risk Buffer Rates**	The Financial Policy Committee (FPC) has decided to extend its decision to maintain firms' Systemic Risk Buffer (SRB) rates at the rate set in December 2019 for a further year. This means that UK firms' SRB rates will not be re-considered until December 2022 at the earliest. Note that the SRB buffer has now been replaced by the O-SII buffer following the implementation of CRD5 in the UK.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/pra-decision-on-srb-rates-december-2020

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Capital and stress testing (8/8)

Institution	Date	Sector	Headline	Summary	Link
BoE	03.02.21	Banking	**The Bank of England will not be restarting the 2019 liquidity Biennial Exploratory Scenario (BES)**	The BoE announced that the 2019 liquidity BES that had been paused in March 2020 due to COVID-19 will not be restarted. The BoE noted that insights from the liquidity BES before it was paused had been used to shape their response to the COVID-19 situation.	https://www.bankofengland.co.uk/news/2021/february/the-bank-of-england-will-not-be-restarting-the-2019-liquidity-biennial-exploratory-scenario
FCA	25.03.21	Banking	**COVID-19 linked forbearance: key findings**	The FCA set out key findings from its review on COVID-19 linked forbearance. The FCA will be taking forward a workplan over the next year to assess whether firms are effectively implementing their policies and procedures, ensuring these are translated into fair customer outcomes. The FCA emphasizes its work in this area remains a priority and that it will continue to work with firms in the coming months.	https://www.fca.org.uk/publications/multi-firm-reviews/coronavirus-linked-forbearance-key-findings

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: IFRS 9 (1/3)

Institution	Date	Sector	Headline	Summary	Link
BoE/PRA	20.03.20	Banking	**Statement on IFRS9 and COVID-19**	Forward-looking information used to incorporate the impact of COVID-19 on borrowers into the expected credit loss (ECL) estimate needs to be both reasonable and supportable for the purposes of IFRS9. Given the sudden onset of the virus, the PRA believes that there is very little such information available as yet, and regards the preparation of reliable and detailed forecasts as very challenging currently. In the event firms believe such forecasts can be made, the PRA expects firms to reflect the temporary nature of the shock, and fully take into account the significant economic support measures already announced by global fiscal and monetary authorities. In particular, any such forecasts should take into account the relief measures – such as repayment holidays – that will be made available to enable borrowers who are affected by the COVID-19 outbreak to resume regular payments. Our expectation is that eligibility for HMG's policy on the extension of mortgage repayment holidays should not automatically, other things being equal, be a sufficient condition to move participating borrowers into Stage 2 ECL.	https://www.bankofengland.co.uk/news/2020/march/boe-announces-supervisory-and-prudential-policy-measures-to-address-the-challenges-of-covid-19
FCA/PRA/FRC	26.03.20	Banking	**Joint statement addressed to companies, auditors, investors and other stakeholders**	The FCA, FRC and PRA announced a series of actions including: • Allowing listed companies an extra two months to publish their audited annual financial reports; guidance from the FRC for companies preparing financial statements in the current uncertain environment. • Guidance from the PRA regarding the approach that should be taken by banks, building societies and PRA-designated investment firms in assessing expected loss provisions under IFRS9. • Guidance from the FRC for audit firms seeking to overcome challenges in obtaining audit evidence.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2020/joint-statement-on-covid-19.pdf
PRA	26.03.20	Banking	**Dear CEO letter on COVID-19: IFRS 9, capital requirements and loan covenants**	The Dear CEO letter provides detailed guidance on IFRS9 accounting and the regulatory definition of default; treatment of borrowers who breach covenants; and the regulatory capital treatment of IFRS9. The letter emphasises the need to weigh up the sharp, large reduction in activity in the short-term against the potential for a rebound when social distancing measures are lifted, and the government and central bank measures taken in the interim.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/letter/2020/covid-19-ifrs-9-capital-requirements-and-loan-covenants.pdf

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: IFRS 9 (2/3)

Institution	Date	Sector	Headline	Summary	Link
PRA	23.04.20	Banking	**Follow-up note to insurers on the letter from Sam Woods 'COVID-19: IFRS 9, capital requirements and loan covenants'**	The note clarifies how the points raised in Sam Woods' letter to the CEOs of UK banks, setting out the PRA's position regarding IFRS 9, capital requirements for their firms and loan covenants, should be read across to insurers' internal assessments of loan creditworthiness and treatment of unrated assets.	https://www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider/dc-investment-and-transfer-values-covid-19-guidance-for-trustees
PRA	22.05.20	Cross-sector	**Statement on regulatory capital and IFRS 9 requirements for payment holidays**	The paper deals with the treatment of borrowers coming to the end of a payment deferral period, and takes into consideration the draft guidelines that the FCA published on Friday about how lenders should treat borrowers at the end of the initial deferral period. The PRA's view is that eligibility for, and use of, Covid-19 related payment deferrals or extensions to those deferrals granted in accordance with the FCA's proposed guidance would not automatically result in a loan: (a) being regarded as having suffered a significant increase in credit risk ('SICR') or being credit-impaired for ECL purposes, or (b) triggering a default under CRR.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-on-application-regulatory-capital-ifrs9
PRA	04.06.20	Banking	**Letter from Sam Woods on 'Covid-19: IFRS 9 and capital requirements – Further guidance on initial and further payment deferrals'**	The letter updates the March guidance to address exits from initial retail mortgage payment deferrals, and was published in response to the updated FCA guidance that states that when there has been a payment deferral, counting of days past due should be based on the agreed schedule for the purposes of the ECL backstops and for the CRR definition of default.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/letter/2020/covid-19-ifrs-9-capital-requirements-further-guidance.pdf?la=en&hash=54F6135B7FC40349B2976123459133EC81EE536F

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: IFRS 9 (3/3)

Institution	Date	Sector	Headline	Summary	Link
PRA	26.08.20	Banking	**Statement on Covid-19: IFRS 9 and capital requirements**	The PRA confirmed that, regarding FCA's tailored forbearance arrangement proposals, current PRA guidance on a framework for making assessments of loans subject to payment deferrals for indicators of Significant Increase in Credit Risk (SICR) or credit impairment will be relevant. The PRA also considers that the Guidance on the treatment of borrowers that breach covenants due to COVID-19, on IFRS 9 expected credit loss (ECL) model risk, and on the need for post-core ECL model adjustments continues to be relevant. The PRA reiterated that the responsibility for compliance with IFRS and CRR remains with firms.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-covid19-ifrs9-capital-requirements-specific-payment-deferrals

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: LIBOR and operational resilience

Institution	Date	Sector	Headline	Summary	Link
BoE	20.03.20	Cross-sector	**Operational resilience and Outsourcing consultations extended**	The deadline for responses to the current Bank and PRA consultations on “Building Operational Resilience: Impact tolerances for important business services” and the PRA consultation on “Outsourcing and third party risk management” will, in line with the FCA, be extended to 1 October 2020.	https://www.bankofengland.co.uk/news/2020/march/boe-announces-supervisory-and-prudential-policy-measures-to-address-the-challenges-of-COVID-19
BoE/FCA	25.03.20	Cross-sector	**FCA, BoE and members of the Working Group on Sterling Risk-Free Reference issue statement on impact of COVID-19 on firms' LIBOR transition plans**	The central assumption that firms cannot rely on LIBOR being published after the end of 2021 has not changed and should remain the target date for all firms to meet. Many preparations for transition will be able to continue. There has, however, been an impact on the timing of some aspects of the transition programmes of many firms. Particularly in segments of the UK market that have made less progress in transition and are therefore still more reliant on LIBOR, such as the loan market, COVID-19 is likely to affect some of the interim transition milestones.	https://www.fca.org.uk/news/statements/impact-COVID-19-firms-libor-transition-plans
FCA	01.05.20	Cross-sector	**Further Statement from the RFRWG on the impact of COVID-19 on the timeline for firms’ LIBOR transition plans**	The Working Group on Sterling Risk Free Reference Rates (RFRWG) recommends that: by end-Q3 2020 lenders should be able to offer non-LIBOR linked products to their customers and after the end-Q3 2020, lenders should include clear contractual arrangements in all new and re-financed LIBOR-referencing loan products to facilitate conversion ahead of end-2021. In addition, there should be no new issuances of sterling LIBOR-referencing loan products with maturities beyond the end of 2021 by end-Q1 2021. The FCA, BoE and the Chair of the UK’s RFRWG will continue to support the delivery of the RFRWG’s workplan, including through publishing guidance on ‘tough legacy’ contracts and the calculation of a fair credit spread adjustment in legacy cash products to assist LIBOR transition in cash markets. They will also continue to assess the evolving impact of COVID-19 on transition plans.	https://www.fca.org.uk/news/statements/further-statement-rfrwg-impact-coronavirus-timeline-firms-libor-transition-plans

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (1/11)

Institution	Date	Sector	Headline	Summary	Link
BoE	20.03.20	Banking	**Scaling back of data requests, on site visits and deadlines**	Bank and PRA supervisors will review their work plans so that non-critical data requests, on-site visits and deadlines can be postponed, where appropriate. This includes pausing the skilled persons Section 166 reviews relating to the reliability of banks' regulatory returns that were announced in October 2019.	https://www.bankofengland.co.uk/news/2020/march/boe-announces-supervisory-and-prudential-policy-measures-to-address-the-challenges-of-COVID-19
BoE	20.03.20	Banking	**Review of SMF approval process**	The PRA will review its approach for considering and processing applications with a view to reducing the burdens involved during current events.	https://www.bankofengland.co.uk/news/2020/march/boe-announces-supervisory-and-prudential-policy-measures-to-address-the-challenges-of-COVID-19
BoE	20.03.20	Banking	**Internal Ratings Based (IRB) models initiatives delayed**	The implementation of proposals related to the Definition of Default, Probability of Default, and Loss Given Default estimation, will be delayed by one year to 1 January 2022. The move to 'hybrid' IRB models will also be delayed until the same date. Firms using the standardised approach to credit risk will also benefit from a delay to changes they need to make as part of guidelines on definition of default.	https://www.bankofengland.co.uk/news/2020/march/boe-announces-supervisory-and-prudential-policy-measures-to-address-the-challenges-of-COVID-19
BoE/FCA	20.03.20	Investment management	**Postponement of the joint BoE / FCA survey into open-ended funds**	The planned survey has been delayed until further notice, with a subsequent impact on the FCA consultation that would have followed.	https://www.bankofengland.co.uk/news/2020/march/boe-announces-supervisory-and-prudential-policy-measures-to-address-the-challenges-of-COVID-19
FCA	21.03.20	Cross-sector	**Request for moratorium on publication of financial statements**	The FCA has requested those companies that were due to publish their preliminary financial statements shortly after 21 March to delay this, in light of COVID-19. It acknowledged that the unprecedented events of the last couple of weeks mean that the basis on which companies are reporting and planning is changing rapidly. It is important that due consideration is given by companies to these events in preparing their disclosures. Observing timetables set before this crisis arose may not give companies the necessary time to do this.	https://www.fca.org.uk/publication/correspondence/fca-requests-delay-forthcoming-announcement-preliminary-financial-accounts.pdf

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (2/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	17.03.20	Cross-sector	**Statement on Market Abuse Regulation**	The FCA issued a statement requiring that issuers should continue to comply with their obligations under the Market Abuse Regulation and relevant FCA rules. The FCA accepts that COVID-19 may create challenges in the operation of disclosure committees, but it expects listed issuers to make every effort to meet their disclosure obligations in a timely manner. In the short term, the FCA accepts that there might be delays as new processes are put in place.	https://www.fca.org.uk/publications/newsletters/primary-market-bulletin-issue-no-27-COVID-19-update
FCA	18.03.20	Investment Management	**Statement on property fund suspensions**	The FCA understands that certain Standing Independent Valuers have determined that there is currently material uncertainty over the value of commercial real estate (CRE). In such situations, a fair and reasonable valuation of CRE funds cannot be established. As a result, some managers of open-ended CRE funds have temporarily suspended dealing in units of these funds and others are likely to follow for the same reason. Suspensions can be used by managers of open-ended funds, in line with their obligations under applicable regulations. In these circumstances, suspension is likely to be in the best interests of fund investors.	https://www.fca.org.uk/news/statements/property-fund-suspensions
BoE/PRA	23.03.20 24.06.20	Insurance	**Approach to regulatory reporting for UK insurers in response to COVID-19**	The PRA clarified its expectations for RSR-submissions for year-end 2020 onwards, stating that the existing RSR cycle would continue. Firms with year-ends Tuesday 31 December 2019 or after that date but before Wednesday 1 April 2020 that were due to submit a full report for year-end 2019 will be required to submit summary reports for year-end 2020 and year-end 2021, and a full report for year-end 2022.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/covid19-regulatory-reporting-amendments
FCA	19.03.20	Insurance	**Expectations for General Insurance firms**	The FCA set out expectations for general insurance firms and provided information for consumers about what they should see from their insurance provider during the COVID-19 pandemic.	https://www.fca.org.uk/news/press-releases/fca-sets-out-expectations-general-insurance-firms-during-COVID-19-COVID-19-pandemic

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (3/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	26.03.20	Cross-sector	**Firms expected to continue recording calls**	Firms should continue to record calls, although it is accepted that some scenarios may emerge where this is not possible. In this situation, firms should make the FCA aware, and consider what steps could be taken to mitigate outstanding risks where unable to record voice communications. This could include enhanced monitoring or retrospective review later.	https://www.fca.org.uk/firms/information-firms-COVID-19-COVID-19-response
FCA	26.03.20	Cross-sector	**Expectations on financial resilience for FCA solo-regulated firms**	The FCA wants firms to continue operating in these challenging circumstances and, where possible, intends to provide flexibility where it can. The FCA echoes the PRA's previous statement that capital and liquidity buffers are there to be used in times of stress. It says that firms who have been set buffers can use them to support the continuation of the firm's activities. Firms should be planning ahead and ensuring the sound management of their financial resources. If the firm needs to exit the market, planning should consider how this can be done in an orderly way while taking steps to reduce the harm to consumers and the markets. If a firm is concerned it will not be able to meet its capital requirements, or its debts as they fall due, they should contact their FCA supervisor with its plan for the immediate period ahead.	https://www.fca.org.uk/news/statements/fca-expectations-financial-resilience-fca-solo-regulated-firms
FCA	31.03.20	Cross-sector	**Dear CEO letter to firms providing services to retail investors on the relaxation of certain FCA rules**	The FCA has been in discussion with industry on the operational burden of certain regulatory requirements and has decided to provide flexibility within the 10% loss reporting rule, Best Execution rules and Client Identity verification rules. The FCA expects firms to continue to comply with the rules, but flexibility is available where necessary and within certain limits as stipulated in the letter.	https://www.fca.org.uk/publication/correspondence/dear-ceo-letter-COVID-19-update-firms-providing-services-retail-investors.pdf

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (4/11)

Institution	Date	Sector	Headline	Summary	Link
PRA	02.04.20	Banking	**Regulatory reporting and disclosure amendments**	The PRA outlined its approach to regulatory reporting and Pillar 3 disclosures for UK banks, building societies, designated investment firms and credit unions in response to COVID-19. The PRA has considered the EBA's recommendation on 31 March, and will accept delayed submission for the following aspects of harmonised regulatory reporting, where the original remittance deadlines fall on or before 31 May 2020: COREP solvency; FINREP; Liquidity – stable funding; Large exposures and concentration risk; Leverage ratio; Asset encumbrance; Resolution plan reporting (excluding liability structure. The PRA will accept a delay of up to one month. The PRA will not accept delays on remittance for: the liquidity coverage ratio and additional liquidity reporting metrics; and information on institutions liability structure, including intra-group financial connections that is required as mart of reporting for resolution planning purposes. The PRA will accept delayed submission on a number of PRA-owned regulatory reporting obligations. This includes a delays of up to two months on Annual reports and accounts, and a one month delay on: memorandum items; sectoral information; quarterly returns for credit unions; ring-fenced bodies returns; and forecast financial statements	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2020/regulatory-reporting-covid-19.pdf?la=en&hash=8B7DC0B5B5B0B5563ADCBE54E45FE32A5B561527

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (5/11)

Institution	Date	Sector	Headline	Summary	Link
FCA/PRA	03.04.20	Cross-sector	**Senior Managers and Certification Re gime (SM&CR) and COVID-19: expectations of joint and solo regulated firms**	For solo regulated firms, the FCA recognises that affected firms may need to make changes to governance arrangements in certain situations, and firms should allocate responsibilities in the way that best enables them to manage the risks that they face. The FCA will not require submission of Statements of Responsibilities (SoRs) where: the change is to cover multiple sicknesses, or other temporary changes in responsibilities related to COVID-19; or the change is temporary and the firm is expected to revert to previous arrangements. For joint-regulated firms, the FCA and PRA are aware that 'significant changes' to an SMF's responsibilities may be required in this period due to temporary situations as a result of COVID-19. Flexibility in the requirement to update and resubmit updated SoRs will be provided as follows: • They expect firms to resubmit relevant SoRs as soon as reasonably practicable taking into account the current circumstances; and • They understand that firms may take longer than usual to submit revised SoRs in the present environment The FCA and PRA have also provided further guidance on, notifications about temporary arrangements (i.e. 12 week rule), allocation of responsibilities, furloughing senior management functions and certification requirements for dual regulated firms.	**Solo-regulated:** https://www.fca.org.uk/news/statements/smcr-coronavirus-our-expectations-solo-regulated-firms **Joint regulated** https://www.fca.org.uk/news/statements/joint-fca-pra-statement-smcr-coronavirus-covid-19
FCA	08.04.20	Cross-sector	**Statement of Policy on listed companies and recapitalisation issuances during the coronavirus crisis**	The FCA announced a series of measures aimed at assisting companies to raise new share capital in response to the coronavirus crisis while retaining an appropriate degree of investor protection. Key issues covered were; i) smaller share issues; ii) shorter form prospectuses; iii) working capital statements; iv) general meeting requirements under the Listing Rules and v) expectations under the Market Abuse Regulation.	https://www.fca.org.uk/news/statements/listed-companies-recapitalisation-issuances-coronavirus

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (6/11)

Institution	Date	Sector	Headline	Summary	Link
TPR	09.04.20	Cross-sector	**COVID-19 pension guidance for employers**	The guidance sets out how employers can meet their automatic enrolment (AE) duties throughout the COVID-19 crisis. It includes information about: (i) the government's Job Retention Scheme; (ii) what employers need to know about payroll; (iii) maintaining AE pensions contributions; (iv) information for employers paying more than the minimum AE contributions; (v) re-enrolment responsibilities and flexibilities; and (vi) what employers must do if staff ask to opt out or reduce their contributions. The Pensions Regulator also announced that it will be adopting a more flexible approach to reporting obligations for those running occupational schemes until 30 June 2020.	https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2020-press-releases/new-covid-19-pension-guidance-published-for-employers https://www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider/covid-19-an-update-on-reporting-duties-and-enforcement-activity
FCA	15.04.20	Cross-sector	**Dear CEO letter on lending to small businesses**	The letter discusses the FCA's guidance on the Coronavirus Business Interruption Loan Scheme (CBILS) and FCA's expectations regarding SMCR in relation to lending to small businesses – specifically, that the FCA expects banks that lend to SMEs to have a Senior Manager in place with responsibility for that activity. The FCA will, going forward, look for evidence that Boards are collecting information on firms' SME lending, and, where appropriate, challenging Senior Managers on the subject.	https://www.fca.org.uk/publication/correspondence/dear-ceo-lending-small-businesses-coronavirus.pdf
FCA	15.04.20	Insurance	**Dear CEO letter on insuring SMEs**	The letter focuses on conduct in relation to businesses interruption (BI) insurance. The FCA expects firms to communicate clearly, accurately and in a timely fashion. The FCA has no intention of stepping in where policies have basic cover that does not cover pandemics. However, for policies where it is clear that the insurance firm has an obligation to pay out, the FCA expects that claims are assessed and settled quickly to ensure that financial pressures on policyholders are not exacerbated by slow payment. Where there are reasonable grounds for making a partial payment, the FCA would like firms to adopt the approach of making an interim payment. Where firms disagree with doing so, the FCA expects that firms will send them an explanation of the grounds for the decision.	https://www.fca.org.uk/publication/correspondence/dear-ceo-insuring-sme-business-interruption-coronavirus.pdf

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (7/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	20.04.20	Cross-sector	**FCA expectations for wet-ink signatures in light of COVID-19**	The FCA has clarified that its rules do not explicitly require wet-ink signatures in agreements, nor do they prevent firms from using electronic signatures in agreements. The validity of signatures is a matter of law and firms must consider the legal position and the risks of accepting electronic signatures. Firms must also consider the FCA's Principles for Businesses and general rules. FCA reiterated that it would accept electronic signatures for fund related applications and on all applications from mutual societies. It also stated that firms may use electronic signatures for all interactions with it.	https://www.fca.org.uk/news/statements/expectations-wet-ink-signatures-coronavirus-restrictions
BoE	04.06.20	Capital Markets	**Letter from Sir Jon Cunliffe, Deputy Governor, Financial Stability, to FMIs on distribution of profits given demands arising from COVID-19**	Sir Jon stated that when UK FMIs' boards are considering any distributions to shareholders or making decisions on variable remuneration, the BoE expects them to a) pay close attention to the additional risks and potential financial and operational demands arising from Covid-19, and b) to discuss the above with the BoE in advance of making any distribution to shareholders. He further remarked that in the current high uncertainty, FMIs face greater risks to their financial and operational resilience, so it is therefore critical to ensure their financial resources continue to be sufficient to maintain the services they provide to the wider financial system and to absorb potential losses.	https://www.bankofengland.co.uk/-/media/boe/files/letter/2020/letter-from-sir-jon-cunliffe-to-fmis-on-distribution-of-profits.pdf?la=en&hash=55B6FBE6D9DC91D9026C9375CF109F2F703DE857
FCA	02.06.20	Cross-sector	**Updated guidance for firms on mortgages during COVID-19**	The guidance reiterates the importance of the Principles For Businesses and MCOB and provides advice on fair treatment of customers at the end of payment deferral period, repossessions, and debt help and guidance. The guidance came into effect on 04 June 2020 and is intended to remain in place till 31 October 2020.	https://www.fca.org.uk/publications/finalised-guidance/mortgages-and-coronavirus-updated-guidance-firms
FCA	03.06.20	Cross-sector	**Guidance for insurance firms on product value and coronavirus**	The FCA expects firms which are manufacturers and/or product providers to consider whether and how coronavirus may have materially affected the value of their insurance products (for example, if they are no longer able to provide expected contractual benefits, either in the expected form, to the expected timeframe, or at all, or if there has been a reduction in the chance of underlying insured events happening for any holders of the policy), and demonstrate to the FCA how they have met their obligations at a product level and treated their customers fairly.	https://www.fca.org.uk/publications/finalised-guidance/product-value-and-coronavirus-guidance-insurance-firms

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (8/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	12.08.20	Cross-sector	**Dear CEO letter: increased client money balances since COVID-19**	The letter applies to firms which provide a non-discretionary investment service. It states that the relevant Senior Manager should consider whether the firm needs to hold client money balances which are unlikely to be reinvested, or whether it would be in clients' better interests to place these balances directly with their own current or savings account providers. The FCA expects firms to return client money balances which are unlikely to be reinvested in the short term.	https://www.fca.org.uk/publication/correspondence/dear-ceo-letter-increased-client-money-balances-covid-19.pdf
FCA	02.11.20	Cross-sector	**Updated and additional guidance for firms in relation to mortgages in light of COVID-19**	This is the third update to the FCA's guidance, following updates in June and September. The FCA proposes to extend the availability of payment deferrals to support borrowers who are experiencing payment difficulties because of COVID-19. Borrowers who have not yet had a payment deferral will be eligible for two payment deferrals of up to six months in total. Those who currently have an initial payment deferral will be eligible for another payment deferral of up to three months. Finally, those who have resumed repayments after an initial payment deferral will be eligible for another deferral of up to three months. Borrowers have until 31 January 2021 to request a payment deferral.	https://www.fca.org.uk/publications/guidance-consultations/mortgages-coronavirus-updated-and-additional-guidance-firms
FCA	04.11.20	Cross-sector	**Further proposals to support consumer credit borrowers affected by COVID-19 in light of second lockdown**	Following the announcement of the latest UK government restrictions in response to COVID-19, the FCA has stated that it will propose updates to its temporary guidance on personal loans, credit cards, motor finance, rent to own, buy-now pay-later, pawnbroking and high-cost short-term credit to support consumer credit customers financially affected by COVID-19. Under the new proposals: (i) consumer credit customers who have not yet had a payment deferral under the FCA's July guidance can request one (ii) borrowers who are currently benefitting from a first payment deferral under the FCA's July guidance would be able to apply for a second deferral (iii) for high-cost short-term credit (such as payday loans), consumers would be able to apply for a payment deferral of one month if they haven't already had one.	https://www.fca.org.uk/publications/guidance-consultations/consumer-credit-and-coronavirus-additional-guidance-firms-november-2020

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (9/11)

Institution	Date	Sector	Headline	Summary	Link
BoE	09.11.20	Cross-sector	**Statement by the PRA on COVID-19 guidance for firms**	The PRA instructs firms to continue to follow relevant government guidance on working from home, use of face coverings in close contact services (such as branches) and COVID-19 testing. The PRA recommends that the Chief Executive Officer senior management function (SMF1) is accountable for ensuring adequate compliance with government guidance.	https://www.bankofengland.co.uk/news/2020/november/updated-statement-on-covid-guidance
FCA	17.11.20	Cross-sector	**Updated guidance for firms on mortgages in light of COVID-19**	The FCA has published two updated guidance documents: Payment Deferral Guidance, which will continue to support those affected by COVID-19 until 31 July 2021; and Tailored Support Guidance, which covers the support firms should provide to mortgage borrowers who have come to the end of payment deferrals, as well as those whose financial situation may be affected by COVID-19 after 31 March 2021. Both of the new sets of guidance will enter into force on 20 November 2020.	https://www.fca.org.uk/publication/finalised-guidance/mortgages-coronavirus-payment-deferral-guidance.pdf https://www.fca.org.uk/publication/finalised-guidance/mortgages-coronavirus-tailored-support-guidance.pdf
FCA	19.11.20	Cross-sector	**Updated guidance for firms on consumer credit, in light of COVID-19**	The FCA issued seven updated guidance documents as follows: (i) Consumer credit and COVID-19: Tailored Support Guidance (ii) Personal loans and COVID-19: Payment Deferral Guidance (iii) Credit cards (incl. retail revolving credit card) and COVID-19: Payment Deferral Guidance (iv) Motor Finance agreements and COVID-19: Payment Deferral Guidance (v) High-cost short term credit agreements and COVID-19: Payment Deferral Guidance (vi) Rent-to-own, buy-now, pay-later and pawnbroking agreements and COVID-19 (vii) Consumer Credit Instrument The guidance comes into force on 25 November 2020, however firms are encouraged to consider how they can best support customers and apply the new guidance earlier than 25 November where they are able to. The Payment Deferral Guidance will continue to provide support for those affected by COVID-19 until 31 July 2021 and The Tailored Support Guidance covers the support firms should provide to consumer credit customers who have come to the end of payment deferrals, as well as those whose financial situation may be affected, after 31 March 2021.	https://www.fca.org.uk/publications/finalised-guidance/consumer-credit-and-coronavirus-updated-guidance-firms

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (10/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	18.12.20	Cross-sector	**Joint FCA and PRA statement on SM&CR and coronavirus: expectations of dual-regulated firms - December 2020 update**	As firms have adapted to the impact of the pandemic over the past few months, the FCA and PRA confirmed their expectation that firms' application of the SM&CR rules returns to normal. They have therefore ended the provisions that were previously made available in April 2020 to allow firms additional flexibility following the exceptional circumstances that arose from COVID-19.	https://www.fca.org.uk/news/joint-fca-and-pra-statement-smcr-and-coronavirus-our-expectations-dual-regulated-firms-december-2020
FCA	18.12.20	Cross-sector	**SM&CR and coronavirus: expectations for solo-regulated firms - December 2020 update**	As with dual regulated firms, the FCA expects that firms' application of the SM&CR rules returns to normal. Firms should be aware that some of the provisions previously available will end on 7 Jan 2021 and the relevant modifications by consent will end after 30 April 2021.	https://www.fca.org.uk/news/statements/smcr-and-coronavirus-our-expectations-solo-regulated-firms-december-2020-update
FCA	24.03.21	Cross-sector	**Updated statement on non-damage BI settlements and deductions made for government support**	The FCA updates its previous statement regarding the appropriateness of insurers making deductions from business interruption insurance to account for government support received by claimants. In its update, the FCA clarifies its expectations of firms.	https://www.fca.org.uk/news/statements/updated-statement-non-damage-bi-settlements-deductions
PRA	06.04.21	Cross-sector	**Bank of England statement on the regulatory treatment of the UK Recovery Loan Scheme**	The PRA uses this statement to comment on the eligibility of loans made under the government's Recovery Loan Scheme (RLS) for recognition as unfunded credit risk mitigation under capital requirements rules. In particular, the PRA notes that, under certain conditions, RLS loans where the 'claim limit' is set at no less than 100% would normally be eligible for such treatment.	https://www.bankofengland.co.uk/news/2021/april/statement-on-the-regulatory-treatment-of-the-uk-recovery-loan-scheme

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Amendments to other planned activities (11/11)

Institution	Date	Sector	Headline	Summary	Link
PRA	19.04.21	Banking	**PRA statement on the regulatory treatment of retail residential mortgage loans under the Mortgage Guarantee Scheme**	The statement updates the PRA's previous policy on its expectations related to the government's Mortgage Guarantee Scheme (MGS). It provides information on regulatory requirements for banks providing MGS loans, including information on capital, notification, disclosure and reporting requirements.	https://www.bankofengland.co.uk/prudential-regulation/publication/2021/april/pra-statement-on-mortgage-guarantee-scheme
TPR	20.04.21	Cross-sector	**COVID-19 guidance for employers in relation to automatic enrolment and DC pension contributions**	This guidance has been updated with the changes to the Coronavirus Job Retention Scheme and wider government support announced in March 2021. The Coronavirus Job Retention Scheme was due to close on 31 October 2020 but has now been extended to 30 September 2021. Employers will be able to claim a grant up to the lower of 80% of their furloughed worker's salary or wage, or £2,500 per month, for claims ending before 1 July 2021. If employees are part-time, the amount employers can claim will be the pro-rated equivalent.	https://www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider/automatic-enrolment-and-pension-contributions-covid-19-guidance-for-employers
PRA	27.04.21	Banking	**Statement on the disclosure of exposures subject to measures applied in response to COVID-19**	This statement updates PRA guidance to UK banks and building societies on the disclosure of exposures subject to Covid-19 measures (issued July 2020). The July 2020 guidance highlighted that UK banks and building societies that are global systemically important institutions (G-SIIs) or other systemically important institutions (O-SIIs), or have retail deposits equal to or greater than £50 billion, should make disclosures on COVID-19 lending at the highest level of consolidation for semi-annual disclosure period ending on dates up to, and including, 31 December 2020. The PRA has decided firms should continue to make the disclosures until 31 December 2021, on a semi-annual basis.	https://www.bankofengland.co.uk/prudential-regulation/publication/2021/april/pra-statement-on-disclosure-of-exposures-covid19

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Short-selling

Institution	Date	Sector	Headline	Summary	Link
FCA	17.03.20 23.03.20 31.03.20	Cross-sector	**Statements on short-selling**	The FCA took note of the European Securities and Markets Authority's (ESMA) decision to temporarily lower the reporting threshold for net short positions, and will apply this change in the UK. However, to receive these data required changes to the FCA's technology. The FCA is working on what is involved to effect these changes and how long it will take to implement them. In the meantime, firms should continue to report according to the previous thresholds, until further notice. On 23 March, the FCA released a statement which outlined their intention to keep markets open and orderly, implying a reluctance to impose short-selling bans of their own. On 31 March, the FCA confirmed that the required changes have been made, and it will be ready to receive notifications at the lower threshold from 6 April. Firms are not required to amend and resubmit notifications submitted between 16 March and 3 April. If firms are unable to amend their systems to report at the threshold from this date, they should reach out to the FCA to discuss further. The new reporting obligation will apply to shares for which the FCA is the relevant competent authority and not to exempted shares where the principal venue for the trading of the shares is located outside of the EU.	https://www.fca.org.uk/firms/information-firms-COVID-19-COVID-19-response https://www.fca.org.uk/news/statements/statement-uk-markets

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Consumer protection (1/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	20.03.20	Banking	**Guidance to firms on mortgages**	The FCA published guidance for mortgage lenders, mortgage administrators, home purchase providers and home purchase administrators. Customers should be granted a payment holiday for an initial period of three months, where they may experience payment difficulties as a result of COVID-19 and where they have indicated they wish to receive one. • Firms should ensure that there is no additional fee or charge (other than additional interest) as a result of the payment holiday. • The guidance also sets out the steps firms should take to ensure that the payment holiday does not have a negative impact on the customer's credit score. • Finally, the FCA makes clear that repossession should not be commenced or continued with unless the firm can demonstrate clearly that the customer has agreed it is in their best interest.	https://www.fca.org.uk/firms/mortgages-COVID-19-guidance-firms
FCA	23.03.20	Investment Management	**Measures to ensure that markets continue to function in an orderly manner**	The FCA assured markets that it is working with international counterparts in the US, EU and elsewhere so that markets can remain open and orderly. With regards to short selling, the FCA stated that it has not currently banned short selling despite other European authorities having done so. It is continuing to monitor market activity. Aggregate net short selling activity reported to FCA is low as a percentage of total market activity and has decreased in recent days. It will continue to fluctuate, but there is no evidence that short selling has been the driver of recent market falls.	https://www.fca.org.uk/news/statements/statement-uk-markets

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Consumer protection (2/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	02.04.20	Cross-sector	**FCA confirms temporary financial relief for customers affected by COVID-19**	The FCA's approach, confirmed on 9 April, is to: • Set out its expectations on firms to offer a temporary payment freeze on loans and credit cards where consumers face difficulties with their finances as a result of COVID-19, for up to three months. • Ensure that for customers who have been hit financially by COVID-19 and already have an arranged overdraft on their main personal current account, up to £500 will be charged at zero interest for up to three months. • Require firms to make sure that all overdraft customers are no worse off on price when compared to the prices they were charged before the recent overdraft changes came into force. • Ensure consumers using any of these temporary measures should not have their credit rating affected because of this.	https://www.fca.org.uk/news/press-releases/fca-proposes-temporary-financial-relief-customers-impacted-COVID-19
FCA	17.04.20	Cross-sector	**Guidance on motor finance and high-cost credit, and COVID-19**	Measures, confirmed on 24 April, include an expectation that firms should provide a 3-month payment deferral to customers who are having temporary difficulties meeting finance or leasing payments due to COVID-19. Customers should also be able to request a payment deferral at any point after the guidance comes into force for a period of 3 months.	https://www.fca.org.uk/publications/guidance-consultations/motor-finance-coronavirus https://www.fca.org.uk/publications/guidance-consultations/high-cost-short-term-credit-coronavirus
FCA	20.04.20	Cross-sector	**Temporary guidance on rent-to-own, buy-now pay-later and pawnbroking agreements amid the COVID-19 outbreak**	The Guidance presents various temporary measures that firms should take to support vulnerable customers with regard to pawnbroking agreements, payment deferrals, buy-now-pay-later arrangements and rent-to-own agreements. The FCA reiterates that firms should communicate the potential implications of payment deferrals to their customers (including the consequences of the interest that is accrued during the three-month period). The Guidance is expected to come into force on 27 April 2020.	https://www.fca.org.uk/publications/finalised-guidance/rent-own-buy-now-pay-later-and-pawnbroking-agreements-and-coronavirus-temporary-guidance-firms

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Consumer protection (3/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	24.04.20	Cross-sector	**Temporary guidance for firms in regards to motor finance agreements and COVID-19**	Measures include requiring that firms provide a three month payment deferral to customers who are having temporary difficulties meeting finance or leasing payments due to COVID-19. If such customers need use of the vehicle, firms should not take steps to end the agreement or repossess the vehicle. The measures come into force on 27 April 2020.	https://www.fca.org.uk/publications/finalised-guidance/motor-finance-agreements-and-coronavirus-temporary-guidance-firms
FCA	24.04.20	Cross-sector	**High-cost short-term credit and coronavirus: temporary guidance for firms**	The FCA highlights the temporary measures firms should take to support customers experiencing payments difficulties. It highlights the conditions under which customers should be granted payment deferrals, and reiterates the need for firms to communicate to customers the availability of payment deferral where customers may be eligible for it, and highlight clearly the potential implications of such deferral. The Guidance was brought into effect on 27 April 2020.	https://www.fca.org.uk/publications/finalised-guidance/high-cost-short-term-credit-and-coronavirus-temporary-guidance-firms
FCA	01.05.20	Insurance	**Guidance for insurance firms on product value and COVID-19**	The guidance, finalised on 3 June, sets out the FCA's expectations for insurers and insurance intermediaries to consider the value for money of their products in light of the exceptional circumstances arising out of COVID-19. This includes that when firms identify something that could materially affect the value of a product, they should consider the appropriate action to take, including: delivering benefits in a different way; providing alternative, comparable benefits; reducing premiums for the duration of the change in value; or providing partial refunds of premiums already paid.	https://www.fca.org.uk/publications/guidance-consultations/product-value-coronavirus-draft-insurance-firms
FCA	14.05.20	Cross-sector	**Guidance for insurance and premium finance firms on COVID-19 and customers in temporary financial difficulty**	The guidance points to circumstances in which firms could consider actions to support customers who may be in financial distress as a result of COVID-19, including when a customer contacts the firm because they are having difficulty making repayments, or has missed payments during the crisis period. Actions firms can take to meet their obligations include reassessing the risk profile of the customer, considering other products the firm may offer, and waiving cancellation fees.	https://www.fca.org.uk/publications/finalised-guidance/coronavirus-customers-temporary-financial-difficulty-guidance-insurance-premium-finance

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Consumer protection (4/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	22.05.20	Cross-sector	**Updated measures announced for customers who are struggling to pay their mortgage due to COVID-19**	The proposal outlines the options firms will be required to provide to customers coming to an end of a payment holiday. In addition, the FCA proposes extending the deadline for customers yet to request a mortgage holiday to October 2020. Lenders should continue to support customers who have already had a payment holiday where they need further help. Firms are expected to engage with their customers and find out what they can re-pay and, for those who remain in temporary financial difficulty, offer further support. As part of this firms should consider a further three-month payment holiday. The short consultation closed on 26 May, and the FCA expects to finalise the guidance soon.	https://www.fca.org.uk/publications/guidance-consultations/mortgages-coronavirus-updated-draft-guidance-firms
FCA	22.05.20	Cross-sector	**Information for consumers on dealing with financial difficulties during COVID-19**	The FCA published guidance for consumers on how to deal with financial difficulties arising from COVID-19. This included steps on how to understand and manage their financial situation and a list of organisations that can offer help and advice.	https://www.fca.org.uk/publications/guidance-consultations/draft-information-consumers-financial-difficulties-coronavirus
FCA	01.06.20 17.06.20 15.09.20	Insurance	**COVID-19 business Interruption test case results**	The High Court found in favour of the arguments advanced for policyholders by the FCA on the majority of the key issues. The FCA argued for policyholders that the ‘disease’ and/or ‘denial of access’ clauses in the representative sample of policy wordings provide cover in the circumstances of the Covid-19 pandemic, and that the trigger for cover caused policyholders’ losses. The judgment says that most, but not all, of the disease clauses in the sample provide cover. The judgment did not say that the eight defendant insurers are liable across all of the 21 different types of policy wording in the representative sample considered by the Court. Each policy needs to be considered against the detailed judgment to work out what it means for that policy.	https://www.fca.org.uk/news/press-releases/result-fca-business-interruption-test-case

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Consumer protection (5/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	02.06.20	Cross-sector	**FCA announced confirmation of support for customers who are struggling to pay their mortgage due to coronavirus**	The FCA confirmed the support firms should give to mortgage customers who are either coming to the end of a payment holiday or who are yet to request one. The FCA is also reminding customers that if they can afford to resume payments, they should. The FCA confirmed, among other things, that customers have until 31 October 2020 to request a payment holiday, and that the current ban on repossessions will also be continued to 31 October 2020. It also confirmed that payment holidays offered under this guidance will not have a negative impact on credit files.	https://www.fca.org.uk/news/press-releases/fca-confirms-support-customers-who-are-struggling-pay-their-mortgage-due-coronavirus
FCA	01.07.20	Cross-sector	**Updated temporary guidance for firms on personal loans in light of COVID-19**	The updated temporary guidance came into force on 03 July 2020 and covers: (i) Customers who have not yet had a payment deferral; (ii) Fair treatment of customers at the end of an initial payment deferral period; (iii) Understanding customers' financial circumstances at the end of an initial payment deferral period; (iv) Customers able/unable to resume full payments; (v) Interest waivers; (vi) Training, monitoring, record keeping and credit reference agency reporting; and (vii) Debt help and money guidance.	https://www.fca.org.uk/publications/finalised-guidance/personal-loans-and-coronavirus-updated-temporary-guidance-firms
FCA	01.07.20	Cross-sector	**Updated temporary guidance on credit cards (including retail revolving credit) in light of COVID-19**	The updated temporary guidance came into force on 03 July 2020 and covers the following: (i) Customers who have not yet had a payment deferral; (ii) Interaction with the Persistent Debt rules; (iii) Expectations in relation to credit card rates; (iv) Fair treatment of customers at the end of an initial payment deferral period; (v) Understanding customers' financial circumstances at the end of an initial payment deferral period; (vi) Customers no longer/still experiencing temporary payment difficulties due to COVID-19; (vii) Interest waivers; (viii) Training, monitoring, record keeping and Credit Reference Agency reporting; and (ix) Debt help and money guidance.	https://www.fca.org.uk/publications/finalised-guidance/credit-cards-including-retail-revolving-credit-and-coronavirus-updated-temporary-guidance-firms
FCA	01.07.20	Cross-sector	**Updated temporary guidance on overdrafts**	The updated temporary guidance came into force on 03 July 2020 and covers the following: (i) help with the cost of overdraft borrowing for those in temporary difficulty; (ii) debt help and money guidance; and (iii) interaction with Handbook rules.	https://www.fca.org.uk/publication/finalised-guidance/finalised-guidance-overdrafts-coronavirus-updated-temporary-guidance-firms.pdf

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Consumer protection (6/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	01.07.20	Cross-sector	**Update on banks' overdraft pricing decisions and plans to support consumers**	The FCA has analysed the strategic, competitive and financial drivers of banks' decisions on the setting of new overdraft rates (following the introduction of rules requiring firms to charge overdraft users a simple annual interest rate). Based on banks' responses, the FCA has decided not to open a formal investigation. However, it will monitor how pricing develops particularly during and after COVID-19 and will also carry out a post-implementation evaluation in April 2021.	https://www.fca.org.uk/news/statements/fca-gives-update-banks-overdraft-pricing-decisions-and-plans-support-consumers
FCA	03.07.20	Cross-sector	**Proposals to further support motor finance and high cost credit customers**	The proposals outline the options firms will provide motor finance, buy-now pay-later (BNPL), rent-to-own (RTO) and pawnbroking customers who are coming to the end of a payment freeze, as well as those who are yet to request one. For customers yet to request a payment freeze, the time to apply for one will be extended until 31 October 2020. For motor finance, BNPL, RTO and pawnbroking customers that have already taken up support, and who are still experiencing payment difficulties, firms would continue to offer support with options including a further payment deferral or reducing payments to an amount the customer can afford for a further 3 months.	https://www.fca.org.uk/news/press-releases/fca-announces-proposals-further-support-motor-finance-high-cost-credit-customers
FCA	24.06.20	Cross-sector	**Proposals to further support consumer credit customers announced**	The FCA has published draft guidance on credit cards, overdrafts and personal loans. The proposals outline the support firms would be expected to provide credit card and other revolving credit and personal loan customers coming to the end of a payment freeze, as well as those yet to request one. Alongside the draft guidance, the FCA has published information for consumers on dealing with financial difficulties during COVID-19, along with updated consumer information on a range of forms of credit. The comment window on the draft guidance closes on 22 June, with finalised guidance expected to follow shortly afterwards.	https://www.fca.org.uk/news/press-releases/fca-announces-proposals-further-support-consumer-credit-customers

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Consumer protection (7/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	15.07.20	Cross-sector	**Further support for consumers affected by coronavirus: Guidance and rules for motor finance, high-cost short-term credit, rent-to-own, buy-now pay-later and pawnbroking**	The finalised temporary guidance sets out the further support firms would be expected to provide to motor finance, buy-now pay-later (BNPL), rent-to-own (RTO), high-cost short-term credit (HCSTC) and pawnbroking customers coming to the end of a payment deferral, as well as those yet to request one. The rules and guidance came into effect on 17 July and, unless renewed or updated, expire on 31 October 2020, save for those aspects dealing with issues for customers coming to the end of payment deferrals after that time.	https://www.fca.org.uk/publication/feedback/fs20-11.pdf
FCA	24.07.20	Insurance	**COVID-19 and customers in temporary financial difficulty: draft updated guidance for insurance and premium finance firms**	The FCA is proposing to extend its temporary guidance for a further 3 months (until 31 October 2020) and is seeking views on whether aspects of the guidance should be retained to apply on a permanent basis, for example, its expectations regarding how insurance firms should support customers in financial difficulty.	https://www.fca.org.uk/publications/guidance-consultations/coronavirus-customers-temporary-financial-difficulty-draft-updated-guidance-insurance
FCA	11.08.20	Cross-sector	**Coronavirus and customers in temporary financial difficulty: feedback on draft updated guidance for insurance and premium finance firms**	The update extends the rules and guidance for a further three months, until 31 October 2020, and contains some small changes, such as expectations of when firms are required to send information to customers.	https://www.fca.org.uk/publication/feedback/fs20-13.pdf

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Consumer protection (8/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	26.08.20	Cross-sector	**Draft Guidance on support to mortgage borrowers in financial difficulty amid COVID-19**	The proposed Guidance supplements the FCA's guidance 'Mortgages and coronavirus: Updated guidance for firms' ('the June Guidance'). Under the proposed supplementary guidance, if borrowers are not able to resume payments in full immediately after the end of the payment deferrals already in place, with all deferred sums either paid in full or capitalised, firms should consider the provision of tailored forbearance arrangements.	https://www.fca.org.uk/publication/guidance-consultation/mortgages-and-coronavirus-additional-guidance-for-firms.pdf
FCA	29.07.20	Cross-sector	**Guidance to help firms do more for vulnerable consumers**	The guidance aims to provide a framework that allows all firms to accurately assess whether they are treating vulnerable consumers fairly. The FCA has also published research on vulnerable consumers' experiences of dealing with financial services firms. The research highlights four key themes for firms: • recognising vulnerability and understanding customers' needs • the value of sympathy • the importance of empowered and knowledgeable staff • meeting vulnerable consumers' communication needs	https://www.fca.org.uk/news/press-releases/new-guidance-help-firms-do-more-vulnerable-consumers
FCA	14.09.20	Banking	**Mortgages and Coronavirus: Additional Guidance for Firms**	The FCA published additional guidance confirming the support mortgage borrowers should receive if they continue to face payment difficulties due to COVID-19. The measures mean firms will need to offer further short and long-term support for customers. This may include extending the repayment term or restructuring the mortgage, or offering arrangements for no or reduced payments for a specified time. Firms are expected to prioritise support for borrowers most at risk of harm, and offer tailored support to individual customers - not adopt a "one size fits all" solution.	https://www.fca.org.uk/publication/finalised-guidance/mortgages-coronavirus-additional-guidance-for-firms.pdf
FCA	16.09.20	Banking	**Consultations on the next stage of support for consumer credit and overdraft customers**	The FCA has published draft guidance to ensure that firms provide tailored support to users of consumer credit and overdraft products who continue to face payment difficulties due to COVID-19. The draft guidance applies both to existing consumers who have benefitted from payment deferrals and support under the current guidance and who continue to face financial difficulties, as well as those whose financial situation may be newly affected after the current guidance ends. The guidance clarifies that firms should not reduce credit limits or suspend overdraft facilities of customers if it would cause them financial hardship.	https://www.fca.org.uk/publication/guidance-consultation/overdrafts-coronavirus-additional-guidance-firms.pdf

Policy initiatives in response to the COVID-19 pandemic – UK
Supervisory policy: Consumer protection (9/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	29.09.20	Insurance	**Update on Business Interruption Insurance Test Case appeals process**	The FCA confirmed that it has filed a 'leapfrog' application to appeal to the Supreme Court, in case an agreement in principle on a range of issues with the insurers that participated in the test case cannot be found.	https://www.fca.org.uk/news/press-releases/update-business-interruption-insurance-test-case-appeals-process
FCA	30.09.20	Investment Management	**Further COVID-19 related temporary measures for firms including on 10% depreciations**	The FCA has given firms a further 6 month extension to its measures allowing firms to only have to report a single 10% depreciation notification to their client, however the extension is contingent upon firms having to satisfy certain conditions.	https://www.fca.org.uk/news/statements/coronavirus-ten-per-cent-depreciation-notifications-further-temporary-measures-firms
FCA	30.09.20	Banking	**FCA Guidance on consumer credit and overdrafts customers**	The consumer credit guidance sets out the FCA's expectations for customers in financial difficulty, including how to deal with customers who remain in payment difficulties at the end of a payment deferral period, and expectations around forbearance, such as that customers are given sustainable arrangements. The overdrafts guidance sets out the FCA's expectations of firms including that firms should be clear in their communications that customers can contact them directly to notify them that they are in financial difficulty, and that firms have systems, processes and adequately trained staff, with any staff incentives aligned with providing their customers with the help they need.	https://www.fca.org.uk/publication/finalised-guidance/finalised-guidance-consumer-credit-coronavirus-additional-guidance-firms.pdf
FCA	30.09.20	Cross-sector	**Dear CEO letter on adequate client assets arrangements**	The FCA published a 'Dear CEO letter' on maintaining adequate client assets arrangements against the backdrop of COVID-19. Firms are expected to put in place appropriate senior management oversight including over third parties, adequate records and reconciliations, acknowledgement letters for all client money accounts (when holding client money), and accurate and updated CASS resolution packs. Firms are expected to be able to explain the actions taken in response to this letter, if contacted by the FCA in future.	https://www.fca.org.uk/publication/correspondence/dear-ceo-letter-general-issues.pdf

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Consumer protection (10/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	16.10.20	Insurance	**Draft guidance for insurance and premium finance firms on coronavirus and customers in financial difficulty**	The proposed guidance says that firms should not cancel insurance policies solely because of non-payment without first considering actions to support customers who may be in financial distress due to COVID-19, and that firms should make clear in their communications, including on their websites and apps, the different options available to customers.	https://www.fca.org.uk/publication/guidance-consultation/coronavirus-customers-financial-difficulty-additional-guidance-firms.pdf
FCA	22.10.20	Cross-sector	**Announcement regarding FCA's continued support for consumers struggling with payment**	The FCA announced its continued support for consumers struggling with payments due to COVID-19. It reiterated to consumers that may be struggling to male repayments that they should speak to their lenders about options available to them. It has also stated that a package has been put together to ensure help after 31 October 2020. It was highlighted that support will be available both to, those who have previously taken a payment deferral, and those who are newly in financial difficulty. Needs of vulnerable consumers will also be given specific considerations and the FCA has urged firms to provide support to consumers before they miss payments. The FCA suggested firms should be flexible and provide a range of short and long term options tailored to customers' individual circumstances which could potentially include: • Suspending, reducing, waiving or cancelling any further interest or charges • Permitting the customer to make no or reduced payments • Agreeing a repayment plan Tailored support is also available to overdraft customers and firms have been urged to treat customers fairly.	https://www.fca.org.uk/news/press-releases/fca-highlights-continued-support-consumers-struggling-payments

Policy initiatives in response to the COVID-19 pandemic – UK

Supervisory policy: Consumer protection (11/11)

Institution	Date	Sector	Headline	Summary	Link
FCA	12.02.21	Cross-sector	**Guidance consultation on helping consumers with rights and routes to refunds due after cancellations of trips and events**	This consultation applies to insurance providers, credit card providers, debit card providers and consumer organisations. It sets out how these providers must respond to consumers whose trips, holidays or other events have been cancelled due to COVID-19, and who are unable to claim refunds from retailers and must turn to these providers instead. The consultation is open until 26 February 2021.	https://www.fca.org.uk/publication/guidance-consultation/guidance-consultation-cancellations-refunds-helping-consumers-rights-routes-refunds.pdf
FCA	25.03.21		**FCA reminds consumers financially impacted by coronavirus of the support available**	The FCA's press release provides an overview of the measures still in place to support consumers in financial difficulty who have been impacted by COVID-19. In particular it points to the implementation of the Tailored Support Guidance by firms as a source of ongoing support to these consumers.	https://www.fca.org.uk/news/press-releases/fca-reminds-consumers-financially-impacted-coronavirus-support-available
FCA	01.04.21	Cross-sector	**Finalised Guidance: Cancellations and refunds: Helping consumers with rights and routes to refunds**	The FCA announced the extension of its Finalised Guidance on cancellation and refunds, which lapsed on 2 April 2021. Following a consultation on extending the Guidance on 12 February 2021, the FCA confirmed its intention to extend the Guidance from 2 April 2021 and for it to remain in place during the circumstances arising from COVID-19 until varied or revoked. This guidance is relevant to insurers as well as to providers of credit and debit cards.	https://www.fca.org.uk/publications/finalised-guidance/cancellations-refunds-helping-consumers-rights-and-routes-refunds

Policy initiatives in response to the COVID-19 pandemic – UK

Other (1/16)

Institution	Date	Sector	Headline	Summary	Link
FCA	24.03.20 29.03.20 30.03.20	Banking	**Advice to firm's on branch openings identifying key workers**	Current advice to banks and building societies is that branches and contact centres should be kept open where possible. The FCA later reiterated that each firm's Senior Manager or equivalent person is responsible for identifying which employees are unable to perform their jobs from home and have to travel to the office/business continuity site. The FCA expects that the total number of roles requiring an ongoing physical presence in the office or business continuity site to be far smaller than the number of workers needed to ensure all of a firm's business activities continue to function on a business as usual basis. On 30 March, the FCA updated its advice to firms on identifying key workers in financial services. To help firms identify who they are, firms should first identify the activities, services or operations which, if interrupted, are likely to lead to the disruption of essential services to the real economy or financial stability. Firms should then identify the individuals that are essential to support these functions, recommending that the Chief Executive Officer Senior Management Function (SMF1) is accountable for ensuring a process so that only roles meeting the definition are designated. The FCA provides a list of types of roles that may be considered as providing essential services – for example, individuals captured by the Senior Managers Regime.	https://www.fca.org.uk/news/statements/statement-bank-branch-opening https://www.fca.org.uk/news/statements/work-travel-responsibilities-senior-managers https://www.fca.org.uk/firms/key-workers-financial-services
FCA	27.04.20	Cross-sector	**Clarifications on the Coronavirus Business Interruption Loan Scheme (CBILS) and the new Bounce Back loan scheme (BBL)**	The FCA clarified how CBILS interacts with its rules around the assessment of customers' creditworthiness. It also provides clarity to individuals subject to the Senior Managers and Certification Regime involved in the CBILS scheme. Finally, the FCA provides guidance on managing financial crime and customer due diligence when dealing with applicants to the schemes.	https://www.fca.org.uk/news/statements/uk-coronavirus-business-interruption-loan-scheme-cbils-and-new-bounce-back-loan-scheme-bbl

Policy initiatives in response to the COVID-19 pandemic – UK

Other (2/16)

Institution	Date	Sector	Headline	Summary	Link
FCA	28.04.20	Cross-sector	**Dear CEO letter on ensuring fair treatment of corporate customers preparing to raise equity finance**	The FCA warned banks that may have used their lending relationship to exert pressure on corporate clients to secure roles on equity mandates that the issuer would not otherwise appoint them to could be in breach of FCA Rules and Principles and that it will not hesitate to take action. The FCA will be contacting firms directly to speak to the relevant senior manager in banks that have both a lending relationship and equity role with any issuers who have recently raised significant equity capital, to understand how they ensured clients were treated fairly, and whether inside information was handled appropriately.	https://www.fca.org.uk/publication/correspondence/dear-ceo-ensuring-fair-treatment-corporate-customers-preparing-raise-equity-finance.pdf
FCA	30.04.20	Cross-sector	**Implementation of strong customer authentication (SCA) rules delayed**	The FCA has decided to give firms an additional 6 months to comply with the SCA requirements for e-commerce - the new deadline for compliance being 14 September 2021, after which firms not complying will be subject to FCA supervision and enforcement action. The FCA recommends that firms continue to undertake the “necessary preparatory activities such as robust end-to-end testing”.	https://www.fca.org.uk/news/statements/strong-customer-authentication-and-coronavirus
PRA	27.04.20	Cross-sector	**Statement on the regulatory treatment of the UK Coronavirus Business Interruption Loan Scheme (CBILS) and the UK Coronavirus Large Business Interruption Loan Scheme (CLBILS)**	The PRA considered that the terms of the guarantees provided by the Secretary of State around CBILS and CLBILS "do not contain features that would render these guarantees ineligible for recognition as unfunded credit risk protection, and the effects of these guarantees would appear to justify such treatment". The PRA reiterated that given the difficulty for businesses in providing financial information forecasts in the current circumstances, it expects lenders to "use their judgement" on what is required to make credit decisions and use all information available to them.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-on-the-regulatory-treatment-of-the-uk-cbils-and-the-uk-clbils

Policy initiatives in response to the COVID-19 pandemic – UK

Other (3/16)

Institution	Date	Sector	Headline	Summary	Link
TPR	20.04.20	Pensions	**Guidance for trustees of defined contribution (DC) pension schemes to follow during the COVID-19 crisis**	Key points include that trustees review any previously agreed investment and risk management decisions to be implemented in the future, to ensure they remain appropriate, efficient and do not introduce risks or crystallise losses, and review investment governance structures and delegations to ensure they can continue to function and make decisions in the event of trustee incapacity or absence.	https://www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider/dc-investment-and-transfer-values-covid-19-guidance-for-trustees
TPR	29.04.20	Insurance	**Guidance for pension schemes, requiring them to issue COVID-19 transfer warning to savers**	Under the guidance, trustees are asked to send defined benefit scheme members looking to move retirement funds a letter warning them of the risks during the pandemic and urging them to consider the decision carefully.	https://www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider/communicating-to-members-during-covid-19
TPR	30.04.20	Insurance	**Statement on the need for enhanced cooperation between trustees and employers amid the COVID-19 crisis**	The TPR reiterated the need to focus on long-term planning and risk management to protect savers. It also clarified how defined benefit schemes should approach forthcoming scheme valuations, and dealt with key issues related to covenant assessments and affordability, scheme funding positions and designing recovery plans.	https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2020-press-releases/trustees-and-employers-must-work-together-to-protect-savers-tpr
FCA	04.05.20 16.07.20	Cross-sector	**Digital sandbox COVID-19 pilot**	The pilot is providing enhanced regulatory support to innovative firms tackling challenges caused by COVID-19. The sandbox could potentially include access to high-quality data sets, an application programming interface (API) or vendor market place, and access to regulatory support.	https://www.fca.org.uk/firms/innovation/digital-sandbox https://www.fca.org.uk/news/press-releases/fca-and-city-corporation-collaborate-help-innovative-companies-drive-recovery-coronavirus

Policy initiatives in response to the COVID-19 pandemic – UK
Other (4/16)

Institution	Date	Sector	Headline	Summary	Link
FCA	04.05.20	Cross-sector	**Letters exchanged between the FCA and the Financial Ombudsman Service (FOS) on the Government's Coronavirus Business Interruption Loan Scheme and Bounce Back Loan Scheme**	The FCA's letter to the FOS outlines key aspects of the arrangements for the two Government schemes. In response, the FOS confirmed that it acknowledges the new legal and regulatory framework, the differences between the two schemes, as well as the changes the Government is making to the Regulated Activities Order.	https://www.fca.org.uk/publication/correspondence/fca-letter-to-financial-ombudsman-service-cbils-bbls.pdf%0a %0ahttps://www.fca.org.uk/publication/correspondence/letter-financial-ombudsman-service-response-cbils-bbls.pdf%0a%0a
FCA	06.05.20	Cross-sector	**Period to cover absent Senior Managers extended due to coronavirus (Covid-19)**	The FCA has extended the maximum period solo regulated firms can arrange cover for a Senior Manager without being approved, from 12 weeks to 36 weeks, in a consecutive 12-month period. The modification by consent will take effect from the date the firm applies for it and will end on 30 April 2021.	https://www.fca.org.uk/news/news-stories/period-cover-absent-senior-managers-extended-due-coronavirus-covid-19%0a
FCA	06.05.20	Cross-sector	**Update on information security in light of COVID-19**	The FCA expects firms to maintain vigilance and ensure that adequate controls are in place to manage cyber threats and respond to major incidents. Firms should keep reviewing the impact of COVID-19 on their information and security defences and take action as needed. They should also ensure that general notification requirements are followed and that incidents are reported.	https://www.fca.org.uk/firms/information-firms-coronavirus-covid-19-response%0a

Policy initiatives in response to the COVID-19 pandemic – UK

Other (5/16)

Institution	Date	Sector	Headline	Summary	Link
FCA	06.05.20	Cross-sector	**Financial crime systems and controls during COVID-19**	The FCA has set out its expectations on how firms should employ their systems and controls to combat and prevent financial crime during the COVID-19 crisis. The note covers operational challenges, client identity verification, SMCR and changes to regulatory reporting. It also highlights that where firms need to amend their systems and controls in response to COVID-19, decisions should be clearly risk assessed, documented and subjected to appropriate governance procedures. Firms are also expected to notify the FCA of any material issues that affect the effectiveness of their financial crime controls or cause significant delays to remediation plans.	https://www.fca.org.uk/firms/financial-crime/financial-crime-systems-controls-during-coronavirus-situation
PRA	07.05.20	Cross-sector	**Statement on alleviating operational burdens on PRA-regulated firms in light of Covid-19**	The measures include postponing the launch of the Climate Biennial Exploratory Scenario until at least mid-2021, resuming full supervisory engagement on LIBOR from 1 June 2020 (including data reporting at the end of Q2), and not publishing the results of last year's insurance stress test. The next Insurance Stress Test is postponed to 2022 (seeking feedback from firms on the proposed design in Q4 2021).	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/pra-statement-on-prioritisation-covid19
FCA	14.05.20	Cross-sector	**Expectations on firms' handling of complaints during COVID-19**	Firms should prioritise: 1. Paying promptly those complainants who have accepted an offer of redress 2. The prompt and fair resolution of complaints from: – vulnerable consumers who are likely to be vulnerable to harm if their complaint is not resolved promptly and fairly; and – micro-enterprises and small businesses who are likely to face serious financial difficulties if their complaint is not resolved promptly and fairly. 3. Sending timely holding responses to those complainants in point two above, where their complaints cannot be resolved promptly. If firms cannot deliver these three priorities adequately and effectively through home working, firms should maintain the minimal physical onsite presence needed to do so - whilst complying with social distancing guidelines. Firms should also maintain quality of complaints handling and continue to meet all relevant obligations.	https://www.fca.org.uk/firms/firm-handling-complaints-during-coronavirus#revisions

Policy initiatives in response to the COVID-19 pandemic – UK

Other (6/16)

Institution	Date	Sector	Headline	Summary	Link
FCA	14.05.20	Cross-sector	**Guidance on handling post and paper documents**	Firms must ensure that no customers are disadvantaged because of delays and make particular efforts to ensure communication continues with vulnerable clients who are unable to use online services. Firms should ask customers who have sent instructions or cheques which have not been processed to contact the firm urgently by telephone or electronic means. Firms should consider the potential harm caused by unprocessed cheque payments and ensure clients receive the required services. Where the uncashed cheque represents client money under the Client Assets Sourcebook (CASS) regime and the firm provides the service/cover without cashing the cheque, firms must consider whether proceeding in this way might breach CASS and expose other clients to the risk of a client money shortfall. Suitability assessments must continue via phone/online checks. Where firms cannot comply with the requirements for post and paper-based processes due to current circumstances they must notify the FCA as soon as possible.	https://www.fca.org.uk/news/statements/how-firms-should-handle-post-and-paper-documents
FCA	14.05.20	Cross-sector	**Financial services exemptions in forthcoming Corporate Insolvency and Governance Bill**	Business Secretary Alok Sharma announced new insolvency and corporate governance measures to help businesses affected by COVID-19. The list of exclusions from the measures is expected to include banks; investment firms; insurers; payments and e-money institutions; and certain market infrastructure bodies. Firms that safeguard client assets are also expected to be excluded from the company moratorium during COVID-19 and temporary suspension of wrongful trading provisions. In addition, the Bill proposes to provide a new Restructuring Plan which is expected to be available to financial services firms, through the appropriate safeguards, including a role for the FCA and PRA.	https://www.fca.org.uk/news/statements/financial-services-exemptions-forthcoming-corporate-insolvency-and-governance-bill
FCA	22.05.20	Cross-sector	**Guidance for payment firms on safeguarding customers' funds**	The FCA's approach, finalised on 9 July, sets out additional temporary guidance to strengthen payment firms' prudential risk management and arrangements for safeguarding customers' funds in response to COVID-19. The consultation includes proposals on several topics including keeping records and accounts and making reconciliations; safeguarding accounts and acknowledgement letters; unallocated funds; governance and controls; and liquidity and capital stress testing. The consultation closed on 5 June.	https://www.fca.org.uk/publications/guidance-consultations/coronavirus-safeguarding-customers-funds-proposed-guidance-payment-firms https://www.fca.org.uk/publications/finalised-guidance/coronavirus-safeguarding-customers-funds-additional-guidance-payment-e-money-firms

Policy initiatives in response to the COVID-19 pandemic – UK

Other (7/16)

Institution	Date	Sector	Headline	Summary	Link
FCA	27.05.20	Cross-sector	**Market Watch Newsletter #63**	The newsletter sets out the FCA's expectations of market conduct in the context of increased capital raising events and alternative working arrangements due to coronavirus. It highlights a particular focus on a) ensuring inside information continues to be appropriately identified and handled by all persons involved in the information chain; b) ensuring inside information is appropriately disclosed by issuers so that investors are not misled; c) maintaining robust market surveillance and suspicious transaction and order reporting (STORs) by relevant market participants; d) meeting the transparency and short position covering requirements under the Short Selling Regulation (SSR) for market participants, to support the effective functioning of the market; and e) identifying and managing conflicts of interest that may arise around capital raising events.	https://www.fca.org.uk/publication/newsletters/market-watch-63.pdf
BoE	02.06.20	Cross-sector	**PRA Statement on the use of electronic signatures to evidence forms and other documents delivered to the PRA**	The PRA confirms that in the context of COVID-19 and increased remote working, firms may use electronic signatures in relation to the submission of forms and other regulatory documents submitted to them, in the absence of any specific legal provisions to the contrary. The PRA were unable to comment on the use of electronic signatures more generally, and firms should obtain their own legal advice on the validity of such signatures in specific circumstances.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-on-electronic-signatures
FCA	04.06.20	Banking	**Banks, building societies and credit unions – branch access for essential services update**	The guidance sets out priorities for firms as restrictions begin to ease and services begin to be reinstated, and gives advice for consumers who may need access to bank branch services. The FCA expectation is that firms will prioritise availability of essential services for the most vulnerable customers, reinstating access to cash and essential services where possible, and where not possible, to ensure that there is clear communication to customers through websites and physical signs to signpost alternatives, such as Post Office services. Consumers should continue to use alternatives to branches where possible and those who need to access bank branch services should contact their banking provider if they need to access services in this way.	https://www.fca.org.uk/news/statements/banks-building-societies-credit-unions%E2%80%93branch-access-essential-services-update

Policy initiatives in response to the COVID-19 pandemic – UK

Other (8/16)

Institution	Date	Sector	Headline	Summary	Link
BoE	08.06.20	Cross-sector	**Joint statement by the Bank and PRA on the ESRB recommendations for the restriction of distributions during the Covid-19 pandemic**	The Bank and PRA note that the Recommendation made by the ESRB on the restriction of distributions applies to UK authorities during the transition period. However, they do not consider it necessary to extend new guidance in light of the ESRB's recommendation, given that they have already extended guidance on the restriction of distributions which is consistent with the ESRB's objectives.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-by-the-bank-and-pra-acknowledging-the-esrb-recommendations
FCA	11.06.20	Capital Markets	**Open access regime for the trading and clearing of exchange-traded derivatives (ETDs)**	This follows ESMA's statement (see below). The FCA re-iterated that from 4 July 2020 trading venues (TVs) and central counterparties (CCPs) offering the trading and clearing of ETDs will be subject to the MiFIR open access regime. Under those provisions, TVs and CCPs may only deny access where the operational risk and complexity arising from granting access would cause undue risk. The FCA stated that TVs and CCPs are expected to put in place processes to assess any open access requests against those factors. When doing so, TVs should continue to prioritise the maintenance of orderly markets and the continuity of their critical services to the market even if this may delay the assessment of an open access request.	https://www.fca.org.uk/news/statements/open-access-regime-trading-and-clearing-exchange-traded-derivatives
FCA	16.06.20	Cross-sector	**Joint approach to Access to Cash**	The document presents the measures taken by the FCA and PSR to maintain access to cash amid the COVID-19 pandemic, including coordinating actions across the industry, communications to customers and working with consumer organisations. The FCA and PSR will work with the industry to explore how it can provide an appropriate and sustainable model of accessing cash, for example through wider use of shared services and initiatives involving local communities. The FCA and PSR will publish further guidance on their approach in the summer.	https://www.fca.org.uk/news/statements/fca-psr-joint-approach-access-cash

Policy initiatives in response to the COVID-19 pandemic – UK
Other (9/16)

Institution	Date	Sector	Headline	Summary	Link
TPR	16.06.20	Cross-sector	**Updated guidance to help pension scheme trustees and employers cope with the financial impact of COVID-19**	The updates include further guidance for trustees of defined benefit schemes facing employer requests to agree to suspend or reduce deficit repair contributions. The guidance now asks trustees to resume reporting certain key information to the TPR to ensure risks are being managed and savers protected.	https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2020-press-releases/measures-extended-to-help-pension-schemes-tackle-covid-19-challenges
PRA	24.06.20	Cross-sector	**Statement on the implementation of EBA Guidelines to address gaps in reporting data and public information in the context of Covid-19**	The PRA is not requiring UK firms to prepare or transmit to the PRA the reporting templates contained within the EBA Guidelines on Covid-19 reporting and disclosure. The PRA is considering how the disclosure elements of the Guidelines are to be applied in a manner reflecting both the proportionality measures in the Guidelines and the letter from Sam Woods to UK deposit-takers on IFRS 9 and capital requirements aspects of initial and further payment deferrals and FCA guidance. The PRA will provide further details in due course.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-on-eba-guidelines-reporting-data
FCA	30.06.20	Cross-sector	**Extension of the Senior Managers & Certification Regime (SM&CR) implementation periods for solo-regulated firms**	Following the extension of the SMCR to solo-regulated firms in December 2019, the FCA has now, in light of COVID-19, extended the deadline for solo-regulated firms to have undertaken the first assessment of the fitness and propriety of their Certified Persons, from 9 December 2020 to 31 March 2021. The FCA plans to consult on extending the deadlines for the application of the Conduct Rules and submission of information about Directory Persons. The FCA will still publish details of certified employees of solo firms starting from 9 December 2020.	https://www.fca.org.uk/news/news-stories/extension-smcr-implementation-periods-solo-regulated-firms#:~:text=solo%2Dregulated%20firms-,Extension%20of%20the%20Senior%20Managers%20%26%20Certification%20Regime%20(SM%26CR)%20implementation,periods%20for%20solo%2Dregulated%20firms&text=The%20deadline%20for%20solo%2Dregulated,2020%20until%2031%20March%202021

Policy initiatives in response to the COVID-19 pandemic – UK

Other (10/16)

Institution	Date	Sector	Headline	Summary	Link
FCA	30.06.20	Capital Markets	**Expectations on how Benchmark Administrator firms and other relevant firms should apply the Approved Persons Regime (APR) during COVID-19**	In light of COVID-19, the FCA will issue a modification by consent to allow extensions of temporary arrangements of control functions from the usual 12-week limit to 36 weeks. Furthermore, if a staff member who is an Approved Person is furloughed for example due to illness, caring responsibilities or having no practical responsibilities for the moment, they may retain their approved status during their absence and will not need to be re-approved when they return. The firm will still be responsible for ensuring the Approved Person is fit and proper. Firms are not expected to notify FCA under form D of the abovementioned temporary arrangements, however internal documentation will remain key.	https://www.fca.org.uk/news/statements/approved-persons-regime-coronavirus-expectations
PSR	30.06.20	Cross-sector	**Summary of joint work between the FCA and the PSR**	The PSR and the FCA have collated a database of cash access points in the UK in order to monitor the emergence of access to cash "cold spots" during COVID-19 and "coordinate the industry response to ensure that vulnerable and self-isolating groups can continue to access cash". Both regulators will support the Government in its development of legislation on the issue.	https://www.psr.org.uk/psr-focus/access-to-cash/access-to-cash-during-covid-19-identifying-and-managing-temporary-gaps-in-provision
BoE	01.07.20	Cross-sector	**Statement on the Bank's commitment to combatting climate change**	Andrew Bailey stated that COVID-19 has not altered the Bank's commitment to combatting the adverse effects of climate change, in particular the net zero target. The crisis has, however, required the Bank to make hard decisions on competing priorities. For example, emergency lending to businesses has not incorporated a test based on climate considerations due to the urgency of supporting jobs and livelihoods.	https://www.bankofengland.co.uk/news/2020/july/statement-on-banks-commitment-to-combatting-climate-change#:~:text=The%20Bank%20has%20a%20strong,particular%20the%20net%20zero%20target.&text=The%20Bank's%20lending%20to%20companies,test%20based%20on%20climate%20considerations
FCA	09.07.20	Cross-sector	**Feedback Statement on draft Guidance for payment and e-money firms on safeguarding customers' funds amid COVID-19**	The temporary Guidance seeks to strengthen payment firms' prudential risk management and safeguarding arrangements for customers' funds. The FCA plans to conduct a full consultation later in 2020/21 on changes to its approach document, which will likely include a proposal to incorporate the Guidance on safeguarding and prudential risk management. This will give stakeholders an opportunity to comment on any measures the FCA proposes to apply permanently.	https://www.fca.org.uk/publication/feedback/fs20-10.pdf

Policy initiatives in response to the COVID-19 pandemic – UK

Other (11/16)

Institution	Date	Sector	Headline	Summary	Link
PRA	09.07.20	Banking	**Consultation on extending coverage under the Financial Services Compensation Scheme (FSCS) for Temporary High Balances (THBs)**	The policy proposals include: (i) extending the THB coverage from six months to twelve months from the date of deposit, or the first date the THB becomes legally transferable to the depositor, until and including Sunday 31 January 2021; and (ii) to revert back to a six-month coverage on Monday 1 February 2021. The Consultation is open until 23 July 2020.	https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/consultation-paper/2020/cp620.pdf?la=en&hash=4B0F20A5EA1C846926EA744E439DBF1BAB5B5AC0
FCA	22.07.20	Cross-sector	**Consultation on delay to the implementation of the European Single Electronic Format**	The FCA is proposing to postpone by a year the European Single Electronic Format requirements for annual financial reporting under the Transparency Directive.	https://www.fca.org.uk/publications/consultation-papers/cp20-12-consultation-delay-implementation-european-single-electronic-format
FCA	28.07.20	Cross-sector	**Statement on mortgage prisoners and consultation on intra-group switching, maturing interest-only and part-and-part mortgages**	The FCA published a statement setting out further analysis the FCA has done on borrowers with inactive firms, including mortgage prisoners. It also published a consultation setting out proposals to support some mortgage prisoners with options, and to protect interest-only and partial capital repayment (part-and-part) customers whose mortgages have recently matured or will mature during the next 12 months. The consultation will close on 8 September 2020	https://www.fca.org.uk/news/news-stories/statement-mortgage-prisoners-consultation-intra-group-switching-maturing-interest-only

Policy initiatives in response to the COVID-19 pandemic – UK
Other (12/16)

Institution	Date	Sector	Headline	Summary	Link
PRA	28.07.20	Banking	**Statement on EBA Guidelines on reporting and disclosure of exposures subject to measures applied in response to COVID-19**	This statement sets out the PRA's overall expectations on how the EBA Guidelines are to be applied. The PRA reiterated that it does not consider it necessary to extend the supervisory reporting elements of the Guidelines to UK credit institutions. The Statement also sets out the PRA's position on disclosure templates and timing of disclosures, which is that firms should make disclosures in the format set out in previous PRA guidance, rather than the recently published EBA guidelines. The PRA feels that its own guidance is consistent with, but broader than, the EBA Guidelines.	https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-on-covid-19-eba-guidelines-disclosure
FCA	31.07.20	Cross-sector	**Call for input on support for consumers affected by COVID-19 in relation to mortgages and consumer credit**	The FCA asked for views on what should happen to consumers coming to the end of a second payment deferral under the FCA's temporary guidance to firms on providing payment deferrals for mortgage and consumer credit products. The FCA also asked views on whether it should extend its current guidance beyond the current deadline of 31 October 2020. The consultation ended on 7 August 2020.	https://www.fca.org.uk/publications/calls-input/ongoing-support-consumers-affected-coronavirus-mortgages-consumer-credit
FCA	18.08.20	Cross-sector	**Statement on accounting for lease modifications (amendment to IFRS 16)**	The FCA will permit issuers subject to their rules to use the modified IFRS 16 rather than the IFRS 16 as currently adopted by the EU. This temporary relief is subject to two conditions: 1) issuers must apply the accounting treatment to those transactions as foreseen in the IFRS 16 amendment 2) issuers must disclose their use of the amendment as issued by the IASB in the notes to the financial statements	https://www.fca.org.uk/news/statements/statement-accounting-lease-modifications-amendment-ifrs-16
FCA	24.09.20	Cross-sector	**FCA update following the coronavirus restrictions statements on Tuesday 22 September**	The FCA note the statement made by the UK Government and devolved administrations on coronavirus (Covid-19) on Tuesday 22 September. The FCA says that firms should continue to follow Government advice on working from home until notified otherwise. Where office workers can work effectively from home, they should do so over the winter. Anyone else who cannot work from home should go to their place of work.	https://www.fca.org.uk/news/statements/update-coronavirus-restrictions-statements

Policy initiatives in response to the COVID-19 pandemic – UK

Other (13/16)

Institution	Date	Sector	Headline	Summary	Link
FCA	28.10.20	Cross-sector	**Policy Statement extending implementation deadlines for the Certification Regime and Conduct Rules**	The FCA stated that the extension, from the original deadline of 9 December 2020 to 31 March 2021, was granted to give firms affected by COVID-19 time to implement the Certification Regime and to train staff effectively in the Conduct Rules.	https://www.fca.org.uk/publication/policy/ps20-12.pdf
FCA	16.12.20	Cross-sector	**FCA establishes Temporary Registration Regime for cryptoassets businesses**	The FCA established a Temporary Registration Regime for cryptoassets firms that have applied to the FCA for registration before 16 December 2020, but whose applications are still being assessed due to a COVID-19-related delay in the FCA's ability to conduct site visits. The temporary regime will allow those firms to be able to continue operating after 9 January 2021 and until 9 July 2021.	https://www.fca.org.uk/news/press-releases/fca-establishes-temporary-registration-regime-cryptoasset-businesses
FCA	07.01.21	Cross-sector	**FCA publishes coronavirus financial resilience survey data**	The FCA published the results of its financial resilience survey sent to 23,000 solo-regulated firms. The survey was run to understand the real-time effect that COVID-19 is having on the financial resilience of the firms where the FCA is the prudential regulator.	https://www.fca.org.uk/news/press-releases/fca-publishes-coronavirus-financial-resilience-survey-data
FCA	13.01.21	Cross-sector	**FCA proposes update to guidance on mortgages and consumer credit repossessions**	The FCA proposes extending its ban on repossessions until 31 March 2021, except in exceptional circumstances. Consumer credit firms will be able to repossess goods and vehicles from 31 January 2021, but only as a last resort. When deciding whether repossession is appropriate, firms will be expected to consider the impact on vulnerable customers, including because of the pandemic.	https://www.fca.org.uk/news/statements/fca-proposes-update-guidance-mortgages-consumer-credit-repossessions
FCA	15.01.21	Insurance	**Supreme Court judgment on business interruption insurance test case**	The Supreme Court has substantially allowed the FCA's appeal on behalf of policyholders, completing the legal process for affected policies. The relevant policyholders can now have their claims for coronavirus-related business interruption losses paid.	https://www.fca.org.uk/news/press-releases/supreme-court-judgment-business-interruption-insurance-test-case

Policy initiatives in response to the COVID-19 pandemic – UK

Other (14/16)

Institution	Date	Sector	Headline	Summary	Link
FCA	26.01.21	Cross-sector	**Feedback Statement on Bounce Back Loan Scheme (BBLS): guidance for firms on use of Pay as You Grow (PAYG) options**	The guidance sets out the FCA's expectations of firms that provide PAYG option under BBLS when starting to collect debts from their customers. These include that the PAYG customer journey has processes to help identify borrowers in default and ensure there is a mechanism to request a bespoke conversation with the lender, and that there are clear opt-out functionalities for customers where lenders are automating the customer journey.	https://www.fca.org.uk/publication/feedback/feedback-statement-bounce-back-loan-scheme-guidance-firms-pay-as-you-grow-options.pdf
FCA	27.01.21	Cross-sector	**Update on mortgages, consumer credit, banking and payments during COVID-19**	The FCA confirmed its finalised guidance on repossessions for mortgages and consumer credit. For mortgages, firms should not enforce repossessions, except in exceptional circumstances, before 1 April 2021. For consumer credit, firms will be able to repossess goods and vehicles from 31 January 2021, but this should only be done as a last resort.	https://www.fca.org.uk/news/statements/update-mortgages-consumer-credit-banking-and-payments-during-coronavirus
FCA	27.01.21	Cross-sector	**FCA and FRC joint statement reminding companies that extended financial information timelines continue to apply**	The FCA and FRC reminded companies of the COVID-19-related financial reporting measures that remain valid at the time of the update and in light of more recently-announced lockdown restrictions. These measures include allowing listed companies an additional two months to publish their audited financial reports. The FCA and FRC encouraged the boards of listed companies to re-familiarise themselves with these measures and to make use of them where they face resourcing constraints in their finance or audit teams.	https://www.fca.org.uk/news/statements/fca-and-frc-joint-statement-reminding-companies-extended-financial-information-timelines-continue
FCA	28.01.21	Banking	**Banks asked to reconsider branch closures during COVID-19 lockdown**	Firms should consider the effect of branch closures on customers. Similar to the approach taken during 2020 lockdowns, where banks are unable to meet expectations in the FCA's guidance on branch closures during lockdown measures, they should consider pausing or delaying new branch closures where possible, particularly where this could have a significant effect on vulnerable customers.	https://www.fca.org.uk/news/statements/banks-branch-closures-coronavirus-lockdown

Policy initiatives in response to the COVID-19 pandemic – UK

Other (15/16)

Institution	Date	Sector	Headline	Summary	Link
PRA	05.02.21	Banking	**Statement on COVID-19 regulatory reporting amendments**	Given the additional restrictions imposed by the UK government regarding COVID-19 in recent months, the PRA will accept a delay in the submission of UK banks' annual reports by up to two calendar months, where the remittance deadlines contained in the PRA Rulebook fall on or before 31 July 2021. The PRA is also willing to be flexible around its expectations of firms' other regulatory reporting obligations, where the remittance deadlines fall either on or before 31 March 2021.	https://www.bankofengland.co.uk/prudential-regulation/publication/2021/february/pra-statement-on-covid-19-regulatory-reporting-amendments
FCA	11.02.21	Cross-sector	**Survey results find that the COVID-19 pandemic has left over a quarter of UK adults with low financial resilience**	The FCA concluded its Financial Lives Survey (FLS) research in February, and ran an extra survey in October to understand the impact of the COVID-19 pandemic on the financial situation of consumers. The FCA found that the number of consumers with low financial resilience – meaning those with over-indebtedness, low levels of savings or low or erratic earnings – has grown. During 2020, the number of UK adults with low financial resilience increased from 10.7 to 14.2 million.	https://www.fca.org.uk/news/press-releases/fca-finds-covid-19-pandemic-leaves-over-quarter-uk-adults-low-financial-resilience
FCA	03.03.21	Insurance	**Final Guidance on the business interruption insurance test case and proving the presence of COVID-19**	The guidance sets out the types of evidence and methodologies policyholders may wish to use when proving the presence of COVID-19 in a particular area around their premises. It takes effect on 3 March 2021 and will cease to have effect on 31 January 2022, by which time the FCA expects all issues around proving the presence of COVID-19 will have been resolved.	https://www.fca.org.uk/publication/finalised-guidance/final-guidance-bi-insurance-test-case-proving-presence-covid-19.pdf

Policy initiatives in response to the COVID-19 pandemic – UK

Other (16/16)

Institution	Date	Sector	Headline	Summary	Link
FCA	05.03.21	Cross-sector	**Updated draft guidance on tailored support to firms with regards to mortgages in light of COVID-19**	The FCA published draft guidance on COVID-19 and its effect on the financial situation of mortgage customers. The FCA expects that firms should not enforce mortgage repossessions, except in exceptional circumstances before 1 April 2021. The FCA is proposing to introduce updated guidance for firms from 1 April. Comments are welcome from stakeholders before 10 March 2021.	https://www.fca.org.uk/publications/finalised-guidance/finalised-guidance-mortgages-and-coronavirus-further-updated-tailored-support-guidance-firms
	25.03.21		**Further updated tailored support guidance for firms with regards to mortgages in light of COVID-19**	The guidance confirms that, from 1 April 2021, subject to any relevant government rules which prevent enforced repossessions for public health reasons, firms taking steps to enforce repossession of properties should only do so as a last resort in accordance with the FCA's rules, updated guidance and normal legal processes.	

Pan-EU policy initiatives in response to the COVID-19 pandemic

Policy initiatives in response to the COVID-19 pandemic – EU

Fiscal policy (1/3)

Institution	Date	Sector	Headline	Summary	Link
European Commission	19.03.20 27.03.20 27.03.20 03.04.20	Cross-sector	**Temporary Framework for state aid measures to enable Member States to further support the economy in the COVID-19 outbreak**	The Temporary Framework allowed EU Member States exceptionally to provide five types of state aid: (i) Direct grants, selective tax advantages and advance payments; (ii) State guarantees for loans taken by companies from banks; (iii) Subsidised public loans to companies; (iv) Safeguards for banks that channel state aid to the economy; and (v) Short-term export credit insurance. The Commission sent a consultation to Member States on extending the temporary framework to five additional types of state aid: (i) support for COVID-19-related research and development; (ii) support for the construction and upgrading of testing facilities; (iii) support for the production of products to tackle the COVID-19 outbreak; (iv) Targeted support in the form of deferral of tax payments and/or suspensions of employers' social security contributions; and (v) Targeted support in the form of wage subsidies for employees. On 3 April, the Commission decided to extend the Temporary Framework to include these five measures. The Commission also decided to temporarily remove all countries from the list of "marketable risk" countries under the short-term credit insurance Communication, in order to make public short-term export credit insurance more widely available. This contributes to expanding the flexibility introduced by the temporary state aid framework with respect to the possibility by State insurers to provide insurance for short-term export-credit.	https://ec.europa.eu/competition/state_aid/what_is_new/sa_covid19_temporary-framework.pdf https://ec.europa.eu/commission/presscorner/detail/en/statement_20_551 https://ec.europa.eu/commission/presscorner/detail/en/ip_20_542
European Commission/ European Council	20.03.20 23.03.20	Cross-sector	**Activation of the general escape clause of the Stability and Growth Pact (SGP)**	Following proposals by the European Commission, the European Council agreed that the conditions for the use of the general escape clause of the EU's fiscal framework – namely, "a severe economic downturn in the euro area or the Union as a whole" – were fulfilled. The use of the clause will provide flexibility for Member States to take necessary measures to support their economies, "including through further discretionary stimulus and coordinated action, designed, as appropriate, to be timely, temporary and targeted".	https://ec.europa.eu/commission/presscorner/detail/en/ip_20_499 https://www.consilium.europa.eu/en/press/press-releases/2020/03/23/statement-of-eu-ministers-of-finance-on-the-stability-and-growth-pact-in-light-of-the-covid-19-crisis/

Policy initiatives in response to the COVID-19 pandemic – EU

Fiscal policy (2/3)

Institution	Date	Sector	Headline	Summary	Link
European Commission	02.04.20	Cross-sector	**Proposal for a Council Regulation on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak**	The new instrument, open to all 27 Member States, proposes a EUR 100 billion solidarity instrument to complement or contribute to the creation of national short-term unemployment schemes in the form of loans. The Commission intends to mobilise the EUR 100 billion with support of the Member States, who will provide voluntary guarantees for 25 billion euros. The loans should help recipient States increase their public expenditure in the area of short-time work schemes and measures aiming to protect jobs. The recipient State should open a "special account with its national central bank for the management of the financial assistance received", and the Commission and Member State should conclude an implementation agreement.	https://ec.europa.eu/info/sites/info/files/support_to_mitigate_unemployment_risks_in_an_emergency_sure_0.pdf
European Commission	06.04.20	Cross-sector	**EIF unlocks funds to support SMEs**	The European Investment Fund (EIF) confirmed that it has unlocked EUR1bn from the European Fund for Strategic Investments that will serve as a guarantee to the EIF. The €1 billion unlocked from the EFSI under the COSME Loan Guarantee Facility and the InnovFin SME Guarantee under Horizon 2020 allows the EIF to provide guarantees worth €2.2 billion to financial intermediaries, unlocking €8 billion in available financing. The guarantees have been offered through the EIF to the market via a call for expressions of interest issued on 6 April to intermediaries. Key guarantees include: • Simplified and quicker access to the EIF guarantee. • A higher risk cover – up to 80% of potential losses on individual loans. • Focus on working capital loans across the EU. • Allowing for more flexible terms, including postponement, rescheduling or payment holidays.	https://ec.europa.eu/commission/presscorner/detail/en/ip_20_569

Policy initiatives in response to the COVID-19 pandemic – EU

Fiscal policy (3/3)

Institution	Date	Sector	Headline	Summary	Link
European Commission	27.05.20	Cross-sector	**EU Recovery Plan**	The Recovery Plan will include: (i) an emergency European Recovery Instrument amounting to eur750bn; and (ii) a reinforced multiannual financial framework for 2021-2027. Together with the three safety nets for workers, businesses and sovereigns endorsed by the European Council in April and amounting to a package worth EUR 540 billion, "these exceptional measures taken at the EU level would reach EUR 1 290 billion of targeted and front-loaded support to Europe's recovery".	https://ec.europa.eu/info/sites/info/files/about_the_european_commission/eu_budget/1_en_act_part1_v9.pdf
European Commission	12.06.20	Cross-sector	**Statement on consulting Member States on proposal to expand State aid Temporary Framework to further support micro, small and start-up companies and incentivise private investments**	The Commission is now proposing to further extend the scope of the Temporary Framework by enabling Member States (i) to support certain micro and small enterprises, including start-ups that were already in difficulty before 31 December 2019, and (ii) to provide incentives for private investors to participate in coronavirus-related recapitalisation measures. Member States now have the possibility to comment on the Commission's draft proposal.	https://ec.europa.eu/commission/presscorner/detail/en/statement_20_1054
European Commission	24.08.20	Cross-sector	**Commission proposes to provide €81.4 billion in financial support for 15 Member States under SURE**	The European Commission has presented proposals to the Council for decisions to grant financial support of €81.4 billion to 15 Member States under the SURE instrument. Once the Council approves these proposals, the financial support will be provided in the form of loans granted on favourable terms from the EU to Member States. These loans will assist Member States in addressing sudden increases in public expenditure to preserve employment. Specifically, they will help Member States to cover the costs directly related to the financing of national short-time work schemes, and other similar measures they have put in place as a response to the coronavirus pandemic, in particular for the self-employed. The list of countries and amounts received by the latter is available on the website.	https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1496

Policy initiatives in response to the COVID-19 pandemic – EU
Monetary policy and liquidity/market operations (1/5)

Institution	Date	Sector	Headline	Summary	Link
ECB	12.03.20	Cross-sector	**Interest rate remains unchanged and additional asset purchases to support the real economy**	The interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.00%, 0.25% and -0.50% respectively. In addition, a temporary envelope of additional net asset purchases of €120 billion will be added until the end of the year, ensuring a strong contribution from the private sector purchase programmes. Reinvestments of the principal payments from maturing securities purchased under the asset purchasing programme (APP) will continue, in full, for an extended period of time past the date when the Governing Council starts raising the key ECB interest rates, and in any case for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation.	https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.mp200312~8d3aec3ff2.en.html

Policy initiatives in response to the COVID-19 pandemic – EU

Monetary policy and liquidity/market operations (2/5)

Institution	Date	Sector	Headline	Summary	Link
ECB	12.03.20 30.04.20	Cross-sector	**Easing of conditions for targeted longer-term refinancing operations (TLTRO) III, and announcement of longer-term refinancing operations (LTROs)**	Interest rate on TLTRO III reduced by 25bps, can now be as low as 25bps below average deposit facility rate from June 2020 to June 2021 for all TLTRO III operations outstanding during that period (-0.75%). Borrowing allowance raised from 30% to 50% of eligible loans. Lending performance threshold to be met between 1 April 2020 and 31 March 2021 in order to attain minimum interest rate on TLTRO III reduced to 0% from 2.5%. Early repayment option available after one year from settlement starting in September 2021. Easing of TLTRO III accompanied by series of LTROs designed to bridge liquidity needs until settlement of fourth TLTRO III operation in June 2020. Operations will be conducted as fixed rate tender procedures with full allotment. Rate in these operations will be fixed at the average of the deposit facility rate over the life of the respective operation. Interest paid on maturity, all operations mature on 25 June 2020. *The interest rate on all targeted longer-term refinancing operations has been reduced by 25 basis points to -0.5%. For banks that meet the lending threshold introduced on 12 March, the interest rate can be as low as -1%. The start of the period over which banks' lending performance will be assessed has been brought forward to 1 March 2020, from 1 April 2020.	https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.mp200312~8d3aec3ff2.en.html https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200430~fa46f38486.en.html

Policy initiatives in response to the COVID-19 pandemic – EU
Monetary policy and liquidity/market operations (3/5)

Institution	Date	Sector	Headline	Summary	Link
ECB	17.03.20	Cross-sector	**Pandemic Emergency Purchase Programme (PEPP) launched**	The PEPP is a new temporary asset purchase programme of private and public sector securities, with a total envelope of EUR 750 billion. Purchases will be conducted until the end of 2020 and will include the asset categories eligible under the APP. For the purchase of public sector securities, the benchmark allocation across jurisdictions will continue to be capital key of national central banks, but PEPP will be conducted in flexible manner – allowing for fluctuations in the distribution of purchase flows over time, across asset classes and among jurisdictions. A waiver of eligibility requirements for securities issued by the Greek government will be granted for purchases under PEPP. The eligible range of assets under the corporate sector purchase programme (CSPP) extended to non-financial commercial paper, making all commercial papers of sufficient credit quality eligible for purchase under CSPP. Additionally, the ECB announced the easing of collateral standards by adjusting main risk parameters under the collateral framework. In particular, the scope of Additional Credit Claims (ACC) – i.e. loans and other debt obligations which are not tradable bonds – has been expanded to include claims related to the financing of the corporate sector. On 26 March, it was clarified that the Public Sector Purchase Programme issuer/issue limit, which limited purchases to 33% of a single Member State's debt instrument, will not apply to the PEPP. The ECB distinguishes the PEPP's objectives from those of other bond-buying programmes, saying "the PEPP requires a high degree of flexibility in its design and implementation compared to the APP and its monetary policy objectives are not identical to that of the APP."	https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200318_1~3949d6f266.en.html https://www.ecb.europa.eu/ecb/legal/pdf/celex_32020d0440_en_txt.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Monetary policy and liquidity/market operations (4/5)

Institution	Date	Sector	Headline	Summary	Link
ECB	07.04.20	Cross-sector	**Package of temporary collateral easing measures**	The collateral easing measures facilitate the availability of eligible collateral for Eurosystem counterparties to participate in liquidity providing operations, such as the targeted longer-term refinancing operations (TLTRO-III). The easing of collateral conditions has three main features: 1) an expansion of the use of credit claims as collateral, in particular through the potential expansion of the additional credit claims (ACCs) frameworks to include loans with lower credit quality, loans to other types of debtors, not accepted in the ECB's general framework, and foreign-currency loans; 2) a general reduction of collateral valuation haircuts; and 3) a waiver to accept Greek sovereign debt instruments as collateral in Eurosystem credit operations. The ECB will assess further measures to temporarily mitigate the effect on counterparties' collateral availability from rating downgrades.	https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200407~2472a8ccda.en.html
ECB	07.04.20	Cross-sector	**ECB and Hrvatska narodna banka set up swap line to provide euro liquidity**	ECB and Hrvatska narodna banka (Central Bank of Croatia) set up new swap line. The swap line will remain in place until end-2020, or as long as needed. The size of swap line is set at €2 billion	https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200415_1~92fe0267b1.en.html
ECB	22.04.20	Cross-sector	**Loosened collateral eligibility rules to mitigate the possible effect of ratings downgrades**	Following the ECB's first package of temporary collateral easing measures, the ECB has decided to exempt temporarily any bonds that are downgraded to junk status from its requirement that any collateral it accepts has to have an investment grade rating. Any bonds rated at investment grade on April 7 will continue to be eligible even if they are downgraded below the triple-B level, as long as their rating remains no more than two notches below investment grade. But these assets will be subjected to "haircuts" to reduce their value as collateral based on their latest credit rating. A separate treatment is included for asset-backed securities.	https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200422_1~95e0f62a2b.en.html

Policy initiatives in response to the COVID-19 pandemic – EU

Monetary policy and liquidity/market operations (5/5)

Institution	Date	Sector	Headline	Summary	Link
ECB	30.04.20	Cross-sector	**ECB announces new pandemic emergency longer-term refinancing operations**	The ECB will conduct a new series of longer-term refinancing operations, called pandemic emergency longer-term refinancing operations (PELTROs). The PELTROs will be conducted as fixed rate tender procedures, with interest rates 25 basis points below the average rate applied in the Eurosystem's main refinancing operations (which is currently 0%).	https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200430_1~477f400e39.en.html
ECB	07.05.20	Cross-sector	**Opinion on a proposal for a regulation on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE)**	The ECB has welcomed the endorsement by the European Council of the Eurogroup agreement on three safety nets for workers, businesses and sovereigns (i.e. SURE instrument) together with the Pandemic Crisis Support by the European Stability Mechanism and a pan-European guarantee fund. The Opinion also gives technical observations on the functioning of the SURE instruments, in particular on how the ECB and national central banks may open accounts for, inter alia, public entities and act as fiscal agents for, inter alia, Union institutions and central governments.	https://www.ecb.europa.eu/ecb/legal/pdf/en_con_2020_14_fsign.pdf
ECB	28.09.20	Cross-sector	**Amendments to monetary policy implementation guidelines**	The ECB amended a number of its guidelines related to the implementation of its monetary policy objectives. The ECB will phase out the use as collateral of marketable assets other than asset-back securities, as well as non-legislative covered bonds from 1 January 2021. The ECB has also clarified the application process and acceptance criteria for external credit assessment institutions, and amended the monetary policy counterparty framework for breaches of MREL and failure to report capital ratios according to the required deadlines.	https://www.ecb.europa.eu/pub/pdf/other/EN_ECB_2020_48_f_sign~8b2978a6c3..pdf?f1af47fe22d8b797b7fb43586373debb https://www.ecb.europa.eu/pub/pdf/other/EN_ECB_2020_47_f_sign~d701736640..pdf?53f0530dccc5f4f450206471a2d7b113 https://www.ecb.europa.eu/pub/pdf/other/EN_ECB_2020_46_f_sign~39ba83145d..pdf?8f7d024f9e688e5a28bc60068b2efbb5 https://www.ecb.europa.eu/pub/pdf/other/EN_ECB_2020_45_f_sign~6a8d473bbe..pdf?627f0f21a7d1e0cda138204feb43c2e5

Policy initiatives in response to the COVID-19 pandemic – EU
Monetary policy and liquidity/market operations (6/6)

Institution	Date	Sector	Headline	Summary	Link
ECB	10.12.20	Cross-sector	**Pandemic emergency longer-term refinancing operations extended**	The Governing Council of the ECB has decided to offer four additional pandemic emergency longer-term refinancing operations (PELTROs) on a quarterly basis during 2021. Each operation will have a tenor of approximately one year. These operations will serve as a liquidity backstop to the euro area banking system and contribute to preserving the smooth functioning of money markets during the extended period.	https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr201210~8acfa5026f.en.html

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Capital and stress testing (1/7)

Institution	Date	Sector	Headline	Summary	Link
ECB	12.03.20	Banking	**Banks can use capital and liquidity buffers, and meet P2R partially with lower quality capital**	Clarifying that banks are allowed to operate temporarily below Pillar 2 Guidance (P2G), the Capital Conservation Buffer (CCB) and the Liquidity Coverage Ratio (LCR) in times of stress. The ECB has also brought forward the implementation of Article 104a CRD5, which allows banks to meet Pillar 2 Requirements (P2R) partially with lower quality capital (a measure which was originally set to apply to EU banks from June 2021). The ECB set out its expectation that NCAs draw down the Countercyclical Capital Buffer (CCyB). On 20 March, the ECB published FAQs on supervisory measures in reaction to COVID-19. The release covers relief measures regarding asset quality deterioration and non-performing loans, relief measures regarding operational aspects of supervision, and relief measures regarding capital and liquidity requirements. On 27 March, the ECB issued a recommendation that at least until 1 October 2020 no dividends are paid out to banks' shareholders and no irrevocable commitment to pay out dividends is undertaken by banks for the financial years 2019 and 2020. Banks should also refrain from share buy-backs aimed at remunerating shareholders. Where a bank considers itself legally required to pay dividends, it should immediately give reasons to its relevant supervisor.	https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200312~45417d8643.en.html https://www.bankingsupervision.europa.eu/press/pr/date/2020/html/ssm.pr200320_FAQs~a4ac38e3ef.en.html https://www.ecb.europa.eu/ecb/legal/pdf/ecb_2020_19_f_sign.pdf

Policy initiatives in response to the COVID-19 pandemic – EU
Supervisory policy: Capital and stress testing (2/7)

Institution	Date	Sector	Headline	Summary	Link
EBA	12.03.20 31.03.20 02.04.20	Banking	**Actions to mitigate the impact of COVID-19 on the EU banking sector**	The EBA announced that the EU-wide stress test is postponed to 2021 to allow banks to prioritise operational continuity. It also encouraged national competent authorities to make full use of the flexibility embedded in the existing regulatory framework, such as allowing banks to cover Pillar 2 requirements with capital instruments other than common equity tier 1. The EBA provided some further information later in March. It reiterated its call to banks to refrain from distributing dividends or share buybacks for the purpose of remunerating shareholders and assess their remuneration policies in line with the risks stemming from the economic situation. In addition, the EBA urged one month flexibility for reports with remittance dates between March and the end of May 2020, and called for flexibility in assessing deadlines of institutions' Pillar 3 disclosures. The Quantitative Impact Study based on June 2020 data has also been cancelled. Finally, the EBA called on NCAs to share information on emerging ML/TF risks, setting clear regulatory expectations and using supervisory tools flexibly. On April 2, the EBA published Guidelines on the criteria to be fulfilled by legislative and non-legislative moratoria applied before June 30. The guidelines clarify that payment moratoria do not trigger classification as forbearance if the measures taken are based on the applicable national law, or an industry- or sector-wide private initiative applied. However, the Guidelines also clarify that institutions must continue to adequately identify those situations where borrowers may face longer-term financial difficulties, and classify exposures in accordance with existing regulation.	https://eba.europa.eu/eba-statement-actions-mitigate-impact-COVID-19-eu-banking-sector https://eba.europa.eu/eba-provides-additional-clarity-on-measures-mitigate-impact-covid-19-eu-banking-sector https://eba.europa.eu/sites/default/documents/files/document_library/Publications/Guidelines/2020/Guidelines%20on%20legislative%20and%20non-legislative%20moratoria%20on%20loan%20repayments%20applied%20in%20the%20light%20of%20the%20COVID-19%20crisis/EBA-GL-2020-02%20Guidelines%20on%20payment%20moratoria.pdf
ECB	20.03.20	Banking	**FAQs on supervisory measures in reaction to COVID-19**	The release covers relief measures regarding asset quality deterioration and non-performing loans, relief measures regarding operational aspects of supervision, and relief measures regarding capital and liquidity requirements.	https://www.bankingsupervision.europa.eu/press/pr/date/2020/html/ssm.pr200320_FAQs~a4ac38e3ef.en.html

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Capital and stress testing (3/7)

Institution	Date	Sector	Headline	Summary	Link
EIOPA	02.04.20	Insurance	**EIOPA urges insurers to suspend all discretionary dividend distributions and share buy backs**	This approach should be applied by all insurance groups at the consolidated level and also regarding significant intra-group dividend distributions or similar transactions, whenever these may materially influence the solvency or liquidity position of the group or of one of the undertakings involved, and should also be applicable to the variable remuneration policies.	https://www.eiopa.europa.eu/sites/default/files/publications/statement-on-dividend-distribution-april2020.pdf
ECB	15.04.20	Cross-sector	**Statement supporting macroprudential policy actions taken in response to coronavirus outbreak**	The ECB expressed its support for the measures taken by euro area macroprudential authorities to address the impact of the COVID-19 outbreak on the financial sector. The ECB expects that the measures, which include reduction of the countercyclical capital buffer, systemic risk buffer or buffers for other systemically important institutions (O-SII buffer), will free up more than EUR 20 billion of Common Equity Tier 1 (CET1) capital for euro area banks.	https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200415~96f622e255.en.html
ECB	16.04.20	Banking	**Temporary relief for capital requirements for market risk**	In response to the recent extreme volatility in financial markets as a result of the COVID-19 outbreak, the ECB is temporarily reducing a supervisory measure for banks – the qualitative market risk multiplier – which is set by supervisors and is used to compensate for the possible underestimation by banks of their capital requirements for market risk. This temporary reduction of the qualitative multiplier compensates for currently observed increases of another factor, the quantitative multiplier, which can rise when market volatility has been higher than predicted by the bank's internal model.	https://www.bankingsupervision.europa.eu/press/pr/date/2020/html/ssm.pr200416~ecf270bca8.en.html
EBA	23.04.20	Banking	**EBA provides further guidance on the use of flexibility in relation to COVID-19**	The EBA's guidance covers market risk, the Supervisory Review and Evaluation process (SREP), recovery planning, operational resilience, and securitisation in the context of legislative and non-legislative payment moratoria. Most significantly, the EBA proposes to modify its RTS on prudent valuation in the market risk framework, and proposes a delay to reporting for the Standardised Approach for market risk in the EU. The EBA also highlights further flexibility available to supervisors in relation to capital charges around Value at Risk models for EU banks.	https://eba.europa.eu/eba-provides-further-guidance-use-flexibility-relation-covid-19-and-calls-heightened-attention-risks

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Capital and stress testing (4/7)

Institution	Date	Sector	Headline	Summary	Link
EIOPA	30.04.20	Insurance	**Revised timetable for advice on Solvency II Review until end December 2020**	EIOPA stated that the revised timing for issuing its advice to the European Commission (December 2020) strikes a balance between the need to use the opportunity of reviewing the Solvency II directive and the need for its advice to reflect recent developments. EIOPA had already extended the deadline of the information request for the holistic impact assessment of the 2020 Solvency II Review by two months, to 1 June 2020.	https://www.eiopa.europa.eu/content/eiopa-revises-its-timetable-advice-solvency-ii-review-until-end-december-2020_en
EU Commission	28.04.20	Banking	**Adoption of banking package to facilitate lending to households and businesses in the EU**	The package aims to facilitate lending to businesses and households amid the COVID-19 crisis. It includes an Interpretative Communication on the EU's accounting and prudential frameworks, as well as targeted "quick fix" amendments to EU banking rules. It reiterates that EU rules "allow banks and their supervisors to act in a flexible, but responsible, manner during economic crises to support citizens and firms, particularly small and medium-sized companies". The new Regulation also implements some targeted changes to "maximise the capacity of credit institutions to lend and to absorb losses related to the Coronavirus pandemic, while still ensuring their continued resilience".	https://ec.europa.eu/commission/presscorner/detail/en/ip_20_740
ECB	20.05.20	Banking	**Opinion on amendments to the EU prudential framework in response to the COVID-19 pandemic in the CRR 'Quick Fix' package**	The ECB outlined its full support for the Commission's proposal. In addition, the ECB proposes some additional modifications. On the exclusion of central bank reserves from the leverage ratio exposure calculation, the ECB recommends recalibration of the application of the revised offsetting mechanism of the central bank reserves in the leverage ratio and allowing competent authorities to be able to set the reference date for the recalibration. This would allow competent authorities, in consultation with central banks, to choose a date which marks the beginning of the period of exceptional circumstances, as evidenced by key monetary policy decisions. On market risk, the ECB recommends competent authorities should be given further flexibility which would allow them to temporarily adjust the number of overshootings (resulting from both actual and hypothetical losses) or take other appropriate action.	https://www.ecb.europa.eu/ecb/legal/pdf/en_con_2020_16.sign.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Capital and stress testing (5/7)

Institution	Date	Sector	Headline	Summary	Link
EBA	08.06.20	Banking	**EBA releases bank-by-bank data at the start of the COVID-19 crisis**	The data confirm that EU banks entered the crisis in a stronger capital position than previous crises, with a weighted average fully loaded CET1 ratio of 14.8% as of Q4 2019. The EU weighted average fully-phased in leverage ratio stood at 5.5%, an increase of 30bps compared to the previous quarter. Q4 2019 the EU weighted average NPL ratio declined to 2.7%, 20bps lower than in Q3 2019.	https://eba.europa.eu/eba-releases-bank-bank-data-start-covid-19-crisis
SRB	17.06.20	Banking	**Blog by Sebastiano Laviola, Board Member at the SRB, on next steps for MREL transition**	In light of reduced issuance of subordinated and senior bank debt resulting from the uncertainty caused by COVID-19, Laviola confirmed that the SRB will take recent events into account when setting MREL targets in the 2020 resolution planning cycle. The SRB aims to set ambitious but realistic objectives for the build-up of MREL quantity and quality, and will use the flexibility in the regulatory framework to support economic recovery, while continuing to make progress in banks' resilience and resolvability.	https://srb.europa.eu/en/node/1028
EC	22.06.20	Banking	**Council adopts amendments to the Capital Requirements Regulation in response to COVID-19**	The EU is temporarily adapting banking rules to facilitate bank lending, referred to as the CRR "Quick Fix". The targeted amendments include changes to the minimum amount of capital that banks are required to hold for non-performing loans under the prudential backstop and a two year extension to transitional arrangements related to the implementation of IFRS 9. The package will become applicable on the day following publication in the Official Journal of the EU - at latest end-June 2020.	https://data.consilium.europa.eu/doc/document/PE-18-2020-INIT/en/pdf
EC	25.06.20	Banking	**Publication of the RTS On prudential valuation in the Official Journal**	The RTS, which came into force on 26 June, was made to respond to the COVID-19 outbreak and the effect it has had on aggregated valuation adjustments (AVAs). It allows a higher aggregation factor to be used until the end of 2020.	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0866&from=EN
EIOPA	21.07.20	Insurance	**Supervisory Statement on the Solvency II recognition of schemes based on reinsurance with regard to COVID-19 and credit insurance**	EIOPA has identified significant differences in the way that national schemes in the area of credit insurance are implemented through the temporary framework for state aid measures to support the economy during the COVID-19 outbreak. EIOPA outlines a number of supervisory recommendations for national competent authorities, including that insurers should clearly indicate the assumptions used in the calculation of the Solvency Capital Requirement in their Solvency and Financial Condition Report.	https://www.eiopa.europa.eu/sites/default/files/publications/supervisory_statements/supervisory-statement-sii-recognition-schemes-based-on-reinsurance-covid19-credit-insurance.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Capital and stress testing (6/7)

Institution	Date	Sector	Headline	Summary	Link
ECB – SSM	17.09.20	Banking	**Temporary permission for banks to exclude certain central bank exposures from the leverage ratio**	Following a decision by the ECB Governing Council that there are currently 'exceptional circumstances', banks under the ECB SSM's direct supervision may exclude certain central bank exposures from the leverage ratio total exposure calculation. The ECB estimates that this will increase the aggregate leverage ratio of EU banks by 0.3pp. Banks may benefit from this measure until 27 June 2021.	https://www.bankingsupervision.europa.eu/press/pr/date/2020/html/ssm.pr200917~eaa01392ca.en.html
EBA	23.07.20	Banking	**Guidelines on a "pragmatic and flexible" approach to the 2020 supervisory review and evaluation process (SREP) in light of COVID-19**	The Guidelines identify how competent authorities can make a risk-driven assessment focusing mainly on the most material risks and vulnerabilities driven by COVID-19. Notably, the Guidelines indicate that, where a firm's capital drops below the level specified by their Pillar 2 Guidance, competent authorities may allow for that capital to be rebuilt according to a timeframe which may extend beyond 2020.	https://eba.europa.eu/sites/default/documents/files/document_library/Publications/Guidelines/2020/Guidelines%20on%20the%20pragmatic%202020%20SREP/897419/EBA-GL-2020-10%20Guidelines%20on%20the%20pragmatic%202020%20SREP.pdf
ECB – SSM	28.07.20	Banking	**COVID-19 Vulnerability Analysis**	86 banks were tested under three scenarios to assess the effect of the coronavirus pandemic on their financial and prudential positions. Overall, the test found that the banking sector is well capitalised to withstand the pandemic-induced stress, but if the situation worsens and the severe scenario materialises, authorities must stand ready to implement further measures.	https://www.bankingsupervision.europa.eu/press/pr/date/2020/html/ssm.pr200728_annex~d36d893ca2.en.pdf?731039993a2a10392e3b7679d1669fb5
ECB – SSM	28.07.20	Banking	**Recommendation on dividend distributions during COVID-19 and statement on use of buffers**	The ECB recommended that banks do not pay dividends or variable remuneration until January 2021. It also clarified that banks will not be asked to replenish their capital buffers until at least 2022, and their liquidity buffers until at least 2021. The ECB also announced that does not intend to extend the six-month suspension of pending supervisory assessments, which is due to expire at the end of September 2020. This means that that the ECB will start to follow up with banks regarding prior remedial actions following earlier SREP findings, on-site inspections, and internal model investigations by end-September.	https://www.bankingsupervision.europa.eu/press/pr/date/2020/html/ssm.pr200728_1~42a74a0b86.en.html

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Capital and stress testing (7/7)

Institution	Date	Sector	Headline	Summary	Link
ECB	19.10.20	Banking	**Macro-prudential bulletin covering the usability of capital buffers**	The bulletin covers financial markets impediments to the use of capital buffers by banks, the effect of buffer usage and lending on the real economy, and the use of countercyclical capital buffers. The ECB suggests that it would have been beneficial for a larger portion of the combined buffer to be countercyclical in nature during the current crisis, as this would give macro-prudential authorities the ability to release more capital at the onset of the crisis, and that a future policy action could be to rebalance the structural and cyclical elements of the capital stack.	https://www.ecb.europa.eu/pub/financial-stability/macroprudential-bulletin/html/ecb.mpbu202010_1~01c4f1a5f4.en.html
ECB - SSM	15.12.20	Banking	**Recommendation on dividend distributions during the COVID-19 pandemic**	The ECB recommends that, until 30 September 2021, significant credit institutions exercise prudence when deciding on or paying out dividends or performing share buy-backs aimed at remunerating shareholders. Credit institutions that intend to decide on or pay out dividends or perform share buy-backs should contact their joint supervisory teams to discuss whether the level of intended distribution is prudent.	https://www.bankingsupervision.europa.eu/ecb/pub/pdf/en_ecb_2020_62_f_sign~6a404d7d9c..pdf?bc87edfa97b9ab56140b289cf090ea81
ECB - SSM	15.12.20	Banking	**Remuneration policies in the context of the coronavirus (COVID-19) pandemic**	Andrea Enria, Chair of the ECB Supervisory Board, wrote to CEOs reiterating the ECB's expectation that institutions continue to adopt moderation with regard to variable renumeration until 30 September 2021, especially for identified staff (so called "material risk takers") insofar as it may negatively affect the amount or quality of an institution's total capital.	https://www.bankingsupervision.europa.eu/press/letterstobanks/shared/pdf/2020/
EBA	21.12.20	Banking	**Clarifications on the implementation of select COVID-19 policies**	The EBA published additional clarifications on the application of the prudential framework in response to issues raised as a consequence of the COVID-19 pandemic. These clarifications update the FAQ section of the EBA Report on COVID-19 implementation policies published on 7 August.	https://eba.europa.eu/eba-provides-additional-clarity-implementation-selected-covid-19-policies

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Capital and stress testing (7/7)

Institution	Date	Sector	Headline	Summary	Link
EBA	29.01.21	Banking	**EBA launches 2021 EU-wide stress test exercise**	Following the postponement of the 2020 exercise due to the COVID-19 pandemic, the EBA will launch an EU-wide stress test exercise in 2021. The adverse scenario is based on a narrative of a prolonged COVID-19 scenario in a "low for longer" interest rate environment. The EBA expects to publish the results of the exercise by 31 July 2021. The methodology for the stress test incorporates the CRR Quick Fix amendments, while the EBA will collect additional information on exposures benefiting from moratoria and public guarantee schemes.	https://www.eba.europa.eu/eba-launches-2021-eu-wide-stress-test-exercise
EBA	29.01.21	Banking	**EBA report on the implementation of selected COVID-19 policies**	The EBA published an 'implementation report' that provides clarifications on questions raised during the course of their monitoring of the implementation of COVID-19 policies. This report covers a number of issues relating to Guidelines published by the EBA since the beginning of the pandemic, including payment moratoria and risk modelling requirements.	https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Reports/2021/962557/Report%20on%20the%20implementation%20of%20selected%20COVID-19%20policies.pdf
EBA	15.03.21	Banking	**Second annual report monitoring the implementation of the Liquidity Coverage Ratio (LCR) in the EU**	The report analyses practices observed in relation to banks' LCRs in the context of COVID-19 and discusses new implementation issues that the EBA has observed over the last year. In particular, the EBA analyses the usage of the LCR liquidity buffer, additional outflows from derivatives due to adverse market conditions, the treatment of fiduciary deposits, and LCR optimisation risks.	https://www.eba.europa.eu/eba-reports-monitoring-lcr-implementation-eu
EBA	04.05.21	Banking	**Discussion Paper on NPL data templates**	The EBA's Discussion Paper considers how data templates for NPLs could be improved to facilitate sales of NPLs and the functioning of secondary markets for NPLs. The EBA's aim is to help banks better prepare as part of their NPL management strategies in the aftermath of COVID-19.	https://www.eba.europa.eu/eba-launches-discussion-npl-data-templates

Policy initiatives in response to the COVID-19 pandemic – EU
Supervisory policy: IFRS 9 (1/2)

Institution	Date	Sector	Headline	Summary	Link
ECB	20.03.20	Banking	**Classification of non-performing loans (NPLs) and IFRS9**	The ECB will exercise flexibility regarding the classification of debtors as "unlikely to pay" when banks call on public guarantees granted in the context of COVID-19. The supervisor will also exercise certain flexibilities regarding loans under COVID-19 related public moratoriums. Second, loans which become non-performing and are under public guarantees will benefit from preferential prudential treatment in terms of supervisory expectations about loss provisioning. Lastly, supervisors will deploy full flexibility when discussing with banks the implementation of NPL reduction strategies, taking into account the extraordinary nature of current market conditions. It encourages banks to avoid excessive pro-cyclical effects when applying the IFRS 9 international accounting standards. The ECB also confirmed the activation of capital and operational relief measures announced on March 12. Estimates that these could free up EUR 120 billion of CET1.	https://www.bankingsupervision.europa.eu/press/pr/date/2020/html/ssm.pr200320~4cdbbcf466.en.html
ESMA	25.03.20	Capital Markets	**Guidance on accounting implications of COVID-19 on the calculation of expected credit losses in accordance with IFRS9**	The statement sets out some accounting implications of the economic support and relief measures adopted by EU Member States in response to the outbreak. The measures include moratoria on repayment of loans and have an impact on the calculation of expected credit losses in accordance with IFRS9. The statement provides guidance to issuers and auditors on the application of IFRS 9 Financial Instruments, specifically as regards the calculation of expected credit losses and related disclosure requirements.	https://www.esma.europa.eu/sites/default/files/library/esma32-63-951_statement_on_ifrs_9_implications_of_COVID-19_related_support_measures.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: IFRS 9 (2/2)

Institution	Date	Sector	Headline	Summary	Link
EBA	25.03.20	Banking	**Further detail on the application of the prudential framework in light of COVID-19 measures**	Following its call on 12 March 2020 to Competent Authorities to make use of the full flexibility provided for in the existing regulation, the EBA issued a second statement to explain a number of additional interpretative aspects on the functioning of the prudential framework in relation to the classification of loans in default, the identification of forborne exposures, and their accounting treatment. The EBA also provides some guidance for payment system providers to ensure the protection of consumers and the good functioning of the EU payment system.	https://eba.europa.eu/eba-provides-clarity-banks-consumers-application-prudential-framework-light-COVID-19-measures

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Financial market participants

Institution	Date	Sector	Headline	Summary	Link
ESMA	11.03.20	Capital Markets	**Recommendation of actions by financial market participants for COVID-19 impact**	ESMA is making the following recommendations to financial market participants: **Business Continuity Planning** – All financial market participants, including infrastructures should be ready to apply their contingency plans, including deployment of business continuity measures, to ensure operational continuity in line with regulatory obligations; **Market disclosure** – issuers should disclose as soon as possible any relevant significant information concerning the impacts of COVID-19 on their fundamentals, prospects or financial situation in accordance with their transparency obligations under the Market Abuse Regulation; **Financial Reporting** – issuers should provide transparency on the actual and potential impacts of COVID-19, to the extent possible based on both a qualitative and quantitative assessment on their business activities, financial situation and economic performance in their 2019 year-end financial report if these have not yet been finalised or otherwise in their interim financial reporting disclosures; and **Fund Management** – asset managers should continue to apply the requirements on risk management, and react accordingly.	https://www.esma.europa.eu/press-news/esma-news/esma-recommends-action-financial-market-participants-COVID-19-impact
ESMA	27.03.20	Capital Markets	**COVID-19: ESMA guidance on financial reporting deadlines**	The statement addresses implications of the COVID-19 pandemic on the deadlines for publishing financial reports which apply to listed issuers under the Transparency Directive. It recommends NCAs to apply forbearance powers towards issuers who need to delay publication of financial reports beyond the statutory deadline. The statement also underlines that issuers should keep their investors informed of the expected publication delay and that requirements under the MAR still apply. ESMA and NCAs will continue to monitor the situation and re-assess the need to extend the forbearance period.	

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Short-selling (1/2)

Institution	Date	Sector	Headline	Summary	Link
ESMA	16.03.20	Capital Markets	**Lowering of the reporting threshold for net short positions**	The decision temporarily requires holders of net short positions in shares traded on a EU regulated market to notify the relevant NCA if the position reaches or exceeds 0.1% of the issued share capital after the entry into force of the decision. This is a precautionary action due to the outbreak that is essential for authorities to monitor developments in markets. The measure can support more stringent action if required. The temporary transparency obligations apply immediately.	https://www.esma.europa.eu/sites/default/files/library/esma70-155-9546_esma_decision_-_article_28_ssr_reporting_threshold.pdf
ESMA	16.09.20	Capital Markets	**Renewal of the lowering of the reporting threshold for net short positions**	ESMA renewed its decision to temporarily require holders of net short positions in shares traded on a EU regulated market to notify the relevant NCA if the position reaches or exceeds 0.1% of the issued share capital after the entry into force of the decision. This measure will apply for another 3 months from 18 September 2020.	https://www.esma.europa.eu/sites/default/files/library/esma70-155-9546_esma_decision_-_article_28_ssr_reporting_threshold.pdf
ESMA	17.03.20	Capital Markets	**Positive opinion on short selling ban by Italian CONSOB**	ESMA agreed to an emergency short selling prohibition, for a period of three months, by CONSOB on all transactions which might constitute or increase net short positions on all shares traded on the Italian MTA regulated market, for which CONSOB is the relevant competent authority as well as to all related instruments relevant for the calculation of the net short position.	https://www.esma.europa.eu/sites/default/files/library/esma70-155-9565_opinion_on_consob_emergency_measure_under_the_ssr_all_shares.pdf
ESMA	18.03.20	Capital Markets	**Positive opinion on short selling ban by French AMF**	ESMA agreed to an emergency short selling prohibition, for a period of one month, by the AMF of France on all transactions which might constitute or increase net short positions on shares admitted to trading on French trading venues (Euronext Paris, Euronext Growth Paris, Euronext Access Paris), for which the AMF is the relevant competent authority as well as to all related instruments relevant for the calculation of the net short position.	https://www.esma.europa.eu/sites/default/files/library/esma70-155-9581_opinion_on_amf_emergency_measure_under_the_ssr_all_shares-tc.pdf
ESMA	18.03.20	Capital Markets	**Positive opinion on short-selling bank by Spanish CNVM**	ESMA issued a positive opinion on a short selling prohibition by CNMV of Spain on all transactions which might constitute or increase net short positions on shares admitted to trading to Spanish trading venues (BOLSA DE MADRID, S.A., BOLSA DE BARCELONA, S.A., BOLSA DE VALENCIA, S.A., BOLSA DE BILBAO, S.A. and Mercado Alternativo Bursátil, S.A.), as well as to all related instruments relevant for the calculation of the net short position. The measure entered into force on 17 March 2020 and will expire on 17 April 2020.	https://www.esma.europa.eu/press-news/esma-news/esma-issues-positive-opinion-short-selling-ban-french-amf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Short-selling (2/2)

Institution	Date	Sector	Headline	Summary	Link
ESMA	19.03.20	Capital Markets	**Positive opinions on bans on net short positions by Belgian and Greek NCAs**	Belgian FSMA and Greek HCMC will ban transactions which might constitute or increase net short positions on stocks admitted to trading on Euronext Brussels, Euronext Growth and the Athens Stock Exchange (as well as to all related instruments relevant to calculations). FSMA ban will last until 17 April, and the HCMC's until 24 April 2020. Both measures may be lifted before the deadline or extended as necessary. The prohibitions apply to transactions executed both on a trading venue and over the counter. The measures aim to address current threats to market confidence and financial stability in the respective countries.	https://www.esma.europa.eu/press-news/esma-news/esma-issues-positive-opinions-bans-net-short-positions-belgian-fsma-and-greek
ESMA	23.03.20	Capital Markets	**Opinion on short selling ban by Austrian FMA**	The measure bans from entering into or increasing a short sale. The ban applies to transactions executed both on a trading venue or over the counter. The proposed measure entered into force on 18 March 2020 and will expire on 18 April 2020.	https://www.esma.europa.eu/sites/default/files/library/esma70-155-9604_opinion_on_fma_emergency_measure_under_the_ssr_all_shares.pdf
ESMA	15.04.20	Capital Markets	**Positive opinion on the renewal of five short-selling bans**	ESMA agreed to the renewal of emergency restrictions on short-selling and similar transactions by the Austrian, Belgian, French, Greek and Spanish NCAs. All five NCAs had imposed restrictions in March 2020 which were due to expire in April, and all five decided to renew those restrictions. The renewal decisions will all be in place until 18 May with the possibility of a further renewal.	https://www.esma.europa.eu/press-news/esma-news/esma-issues-positive-opinions-short-selling-bans-austrian-fma-belgian-fsma
ESMA	18.05.20	Capital Markets	**Non-renewal and termination of short selling bans by Austrian FMA, Belgian FSMA, French AMF, Greek HCMC, Italian CONSOB and Spanish CNMV**	ESMA noted the non-renewal of the emergency restrictions on short selling and similar transactions by the NCAs from Austria, Belgium, France, Greece and Spain. It also noted the early termination of the emergency restrictions by the Italian CONSOB that was due to expire on 18 June 2020. On 16 March ESMA issued a decision temporarily requiring the holders of net short positions in shares traded on an EU regulated market to notify the relevant NCA if the position reaches or exceeds 0.1% of the issued share capital after the entry into force of the decision. The measure remains in force until 16 June and can be renewed.	https://www.esma.europa.eu/press-news/esma-news/esma-%E2%80%93-non-renewal-and-termination-short-selling-bans-austrian-fma-belgian-fsma

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Consumer protection (1/2)

Institution	Date	Sector	Headline	Summary	Link
EBA	25.03.20	Banking	**Statement on consumer and payment issues in light of COVID-19**	The EBA: • Called on financial institutions to ensure that they act in the interest of the consumer, in particular when engaging with customers regarding temporary measures for consumer and mortgage loans in identified cases; • notes the importance of careful consideration from a legal and reputational perspective of any new and additional charges specifically introduced in relation to contingency measures; • calls on financial institutions offering general temporary measures to note that, given that such measures may not automatically lead to loan reclassification from a prudential perspective, the acceptance of temporary measures should not automatically lead to negative implications for the consumer's credit rating; and • calls on payments services providers to facilitate consumers' ability to make payments without the need for physical contact, by making use of the existing exemption from strong customer authentication (SCA) available for contactless payments at the point of sale.	https://eba.europa.eu/sites/default/documents/files/document_library/News%20and%20Press/Press%20Room/Press%20Releases/2020/EBA%20provides%20clarity%20to%20banks%20and%20consumers%20on%20the%20application%20of%20the%20prudential%20framework%20in%20light%20of%20COVID-19%20measures/Statement%20on%20consumer%20protection%20and%20payments%20in%20the%20COVID19%20crisis.pdf
EIOPA	01.04.20	Insurance	**Statement to insurers and intermediaries, urging them to take steps to mitigate the impact of COVID-19 on consumers**	The steps EIOPA is recommending include providing clear and timely information to consumers; keeping consumers informed about contingency measures that have been put in place; continuing to apply product oversight and governance requirements; and exercising flexibility in the treatment of consumers where reasonable and practical.	https://www.eiopa.europa.eu/sites/default/files/publications/statement-consumer-protection-and-conduct-risks-covid19-april2020.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Consumer protection (2/2)

Institution	Date	Sector	Headline	Summary	Link
EC	14.07.20	Cross-sector	**Commission publishes list of 'Best Practices' to provide relief for consumers and businesses in light of COVID-19**	The European Commission has published a list of 'best practices' agreed by the financial sector, and consumer and business organisations. It sets out how different market participants can support citizens and businesses through the COVID-19 crisis. The 'best practices' cover: • Payment moratoria for consumer and business loans, and for insurance contributions; • Enabling safer cashless payments while ensuring cash payments remain available for those who need them; • Ensuring loans aimed at mitigating the impact of coronavirus are provided swiftly, and that the fees and interest rates incurred are fair; • Quick processing and payment of legitimate insurance claims.	https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1281

Policy initiatives in response to the COVID-19 pandemic – EU
Supervisory policy: Amendments to other planned activities (1/18)

Institution	Date	Sector	Headline	Summary	Link
SRB	01.04.20 01.04.20	Banking	**Letter to banks on potential operational relief measures related to COVID-19**	The SRB is committed to working on 2020 resolution plans and issuing 2020 Minimum Requirement for own funds and Eligible Liabilities (MREL) decisions according to the planned deadlines in early 2021. However, it will apply a pragmatic approach to consider postponing less urgent information requests related to the upcoming 2020 planning cycle. The Liability Data Report, the Additional Liability Report and the MREL quarterly template are considered to be essential. The SRB will assess leeway in submission dates for other reports, such as those related to critical functions and access to FMIs. Finally, over the coming months, the SRB will analyse market conditions and the impact on transition periods needed for the build-up of MREL, with a view to adapting transition periods and interim targets applied to banking groups, as well as adjusting MREL targets in line with capital requirements, with a particular reference to capital buffers.	https://srb.europa.eu/sites/srbsite/files/srb_letter_on_potential_covid-19_outbreak_relief_measures_0.pdf https://srb.europa.eu/en/node/966
EBA	31.03.20	Banking	**Statement on actions to mitigate financial crime risks in the COVID-19 pandemic**	The EBA called on competent authorities that are responsible for the AML/CFT supervision of credit and financial institutions to support credit and financial institutions' ongoing AML/CFT efforts by, inter alia, considering how to adapt the use of their supervisory tools temporarily to ensure ongoing compliance by credit and financial institutions with their AML/CFT obligations, and continuing to share information on emerging ML/TF risks and setting clear expectations of the steps credit and financial institutions should take to mitigate those risks.	https://eba.europa.eu/sites/default/documents/files/document_library/News%20and%20Press/Press%20Room/Press%20Releases/2020/EBA%20provides%20additional%20clarity%20on%20measures%20to%20mitigate%20the%20impact%20of%20COVID-19%20on%20the%20EU%20banking%20sector/Statement%20on%20actions%20to%20mitigate%20financial%20crime%20risks%20in%20the%20COVID-19%20pandemic.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (2/18)

Institution	Date	Sector	Headline	Summary	Link
ESMA	19.03.20	Capital Markets	**Statement on the postponement of reporting obligations related to securities financing transactions under SFTR and MiFIR**	The statement sets out ESMA's approach to the reporting start date and the registration of Trade Repositories (TRs) in light of the COVID-19 pandemic. ESMA expects competent authorities not to prioritise their supervisory actions towards entities subject to Securities Financing Transactions (SFT) reporting obligations as of 13 April 2020 and until 13 July 2020. ESMA also expects TRs to be registered sufficiently ahead of the next phase of the reporting regime, i.e. 13 July 2020, for credit institutions, investment firms, CCPs and CSDs and relevant third-country entities to start reporting as of this date. ESMA continues monitoring closely the implementation by the relevant market participants as well as the impact of the relevant measures taken with regards to COVID-19 to ensure alignment of SFT reporting requirements and supervisory practices in the EU.	https://www.esma.europa.eu/sites/default/files/library/esma80-191-995_public_statement.pdf
ESMA	20.03.20	Capital Markets	**Clarification of MiFID II requirements on call recording**	ESMA recognises that, considering the exceptional circumstances created by the COVID-19 outbreak, some scenarios may emerge where, notwithstanding steps taken by the firm, the recording of relevant conversations required by MiFID II may not be practicable. If firms, under these exceptional scenarios, are unable to record voice communications, ESMA expects them to consider what alternative steps they could take to mitigate the risks related to the lack of recording. Firms are expected to deploy all possible efforts to ensure that the above measures remain temporary and that recording of telephone conversations is restored as soon as possible.	https://www.esma.europa.eu/sites/default/files/library/esma35-43-2348_esma_statement_on_COVID-19_telephone_recording.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (3/18)

Institution	Date	Sector	Headline	Summary	Link
ESMA	20.03.20	Capital Markets	**Statement on approach to MiFIR tick-size regime for systematic internalisers**	The statement aims to coordinate supervisory actions by national competent authorities (NCAs) on the application of the new tick-size regime for systematic internalisers under MiFIR and IFR in light of the COVID-19 pandemic. ESMA expects NCAs not to prioritise their supervisory actions in relation to the new tick-size regime from 26 March, the application date, until 26 June 2020, and to generally apply their risk-based supervisory powers in their day-to-day enforcement of applicable legislation in this area in a proportionate manner. ESMA, in coordination with NCAs, continues to monitor developments in financial markets as a result of the COVID-19, including the application of relevant EU requirements by market participants, and is prepared to use its powers to ensure financial stability, orderly functioning of EU markets and investor protection.	https://www.esma.europa.eu/sites/default/files/library/esma70-156-2486_public_statement_tick_sizes.pdf
ESMA	20.03.20	Capital Markets	**Extension of consultations response dates**	Due to the outbreak of COVID-19, ESMA has extended response dates for all of its ongoing consultations with a closing date on or after 16 March by four weeks. The following consultations have been postponed: (i) Draft technical standards on the provision of investment services and activities in the Union by third-country firms under MiFID II and MiFIR, (ii) Draft Regulatory Technical Standards under the Benchmarks Regulation, (iii) Consultation on MiFIR report on Systematic Internalisers, (iv) Consultation on MiFID II/MiFIR review report on the transparency regime for equity, (v) Consultation on MiFIR review report on transparency for non-equity and the trading obligation for derivatives , (vi) Consultation on guidelines on internal controls for CRAs, and (v) Guidelines on securitisation repository data completeness and consistency thresholds.	https://www.esma.europa.eu/press-news/esma-news/esma-extends-consultations-response-dates

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (4/18)

Institution	Date	Sector	Headline	Summary	Link
ESMA	26.03.20	Capital Markets	**Revised statement on Securities Financing Transactions Regulation (SFTR) application**	ESMA expects competent authorities not to prioritise their supervisory actions towards counterparties, entities responsible for reporting and investment firms in respect of their reporting obligations pursuant to SFTR or MIFIR, regarding SFTs concluded between 13 April 2020 and 13 July 2020, and SFTs subject to backloading under SFTR, and to generally apply their risk-based approach in the exercise of supervisory powers in their day-to-day enforcement of applicable legislation in this area in a proportionate manner. ESMA updated its statement in response to feedback received from financial market participants and stakeholders.	https://www.esma.europa.eu/sites/default/files/library/esma80-191-995_public_statement.pdf
ESMA	27.03.20	Capital Markets	**Confirmation of application date for equity transparency calculations**	ESMA has decided to keep the date of application of the transparency calculations for equity instruments of 1 April 2020 unchanged. Having consulted with various market participants ESMA considers that delaying the application of the new transparency results would in itself entail some risks and might even create additional operational burdens to all the market participants that have already planned for them.	https://www.esma.europa.eu/press-news/esma-news/esma-confirms-application-date-equity-transparency-calculations
ESMA	27.03.20 31.03.20	Capital Markets	**ESMA guidance on publication deadlines under the Transparency Directive and MiFID II**	The statement addresses implications of the COVID-19 pandemic on the deadlines for publishing financial reports which apply to listed issuers under the Transparency Directive. It recommends NCAs to apply forbearance powers towards issuers who need to delay publication of financial reports beyond the statutory deadline. The statement also underlines that issuers should keep their investors informed of the expected publication delay and that requirements under the Market Abuse Regulation (MAR) still apply. ESMA and NCAs will continue to monitor the situation and re-assess the need to extend the forbearance period. On the publication of best execution reports under MiFID II, ESMA recommended that NCAs consider the possibility that: (i) execution venues unable to publish RTS 27 reports due by 31 March 2020 may only be able to publish them as soon as reasonably practicable after that date and no later than by the following reporting deadline (i.e. 30 June 2020); and (ii) firms may only be able to publish the RTS 28 reports due by 30 April 2020 on or before 30 June 2020. ESMA encourages NCAs not to prioritise supervisory actions in that respect and to generally apply a risk-based approach in the enforcement of those deadlines.	https://www.esma.europa.eu/sites/default/files/library/esma31-67-742_public_statement_on_publication_deadlines_under_the_td.pdf https://www.esma.europa.eu/sites/default/files/library/esma35-36-1919_esma_statement_on_covid-19_and_best_execution_reports.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (5/18)

Institution	Date	Sector	Headline	Summary	Link
ESMA	02.04.20	Capital Markets	**Update to ESMA risk assessment in light of COVID-19**	The pandemic, in combination with existing valuation risks, has led to large equity market corrections since mid-February, driven by a sharp deterioration in the outlook for consumers, businesses and of the economic environment. Corporate bond, government bond markets and a number of investment funds show signs of stress. Market infrastructures have continued to function in an orderly manner despite significant surges in trading activity, the use of circuit breakers and increases in derivatives margins. ESMA sees a prolonged period of risk to institutional and retail investors of market corrections and very high risks across the whole of ESMA's remit.	https://www.esma.europa.eu/press-news/esma-news/esma-updates-its-risk-assessment-in-light-covid-19-pandemic
ESMA	09.04.20	Investment Management	**Statement on publication of periodic reports by fund managers**	ESMA made a statement expressing its view that NCAs should take into account the burdens associated with COVID-19 with respect to fund managers' obligation to publish yearly and half-yearly reports. ESMA encourages NCAs to adopt a risk-based approach and to deprioritise supervisory actions with respect to these upcoming reporting deadlines, and expects NCAs not to prioritise supervisory actions against market participants that miss publication deadlines.	https://www.esma.europa.eu/sites/default/files/library/esma34-45-896_public_statement_on_publication_deadlines_in_fund_management_area.pdf
ESMA	09.04.20	Cross-sector	**Statement on fulfilment of external audit requirements for interest rate benchmarks under the BMR**	ESMA, in coordination with NCAs, expects NCAs not to prioritise supervisory actions against administrators and supervised contributors relating to the timeliness of fulfilling the audit requirements where the audits are carried out by 30 September 2020. ESMA encourages NCAs to generally apply a risk-based approach in the exercise of supervisory powers in their day-to-day enforcement of the BMR in a proportionate manner concerning the timeliness of fulfilling those audit requirements.	https://www.esma.europa.eu/sites/default/files/library/esma80-187-546_public_statement_external_audit_bmr_april_2020.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (6/18)

Institution	Date	Sector	Headline	Summary	Link
ESMA	09.04.20	Capital Markets	**Postponement of publication dates for annual non-equity transparency calculations and quarterly systematic internaliser (SI) data**	ESMA postponed the application of the annual non-equity transparency calculations and the calculations for the systematic internaliser test for derivatives, equity transparency calculations (ETCs), exchange traded notes (ETNs), emission allowances and structured finance products (SFPs) under MiFID II. The publication of the transparency calculations will be postponed to 15 July 2020 and their application to 15 September 2020. ESMA will publish the data for the performance of the SI test for derivatives, ETCs, ETNs, emission allowances and structured finance products by 1 August 2020 and the mandatory SI regime for derivatives, ETCs, ETNs, emission allowances and structured finance products will apply from 15 September 2020. Publication and application of the annual transparency calculations for bonds remain unchanged.	https://www.esma.europa.eu/sites/default/files/library/esma70-155-9817_public_statement_mifid_transparency_calculations.pdf
ESMA	09.04.20	Capital Markets	**Extension of MiFID II/MiFIR transparency review report consultation**	ESMA further extended the response date for its consultation on the MiFID II/MiFIR review report on the transparency regime for non-equity instruments and the trading obligation for derivatives to 14 June 2020.	https://www.esma.europa.eu/sites/default/files/library/esma70-155-9817_public_statement_mifid_transparency_calculations.pdf
ESMA	17.04.20	Capital Markets	**New Q&A on alternative performance measures (APM) in the context of COVID-19**	The Q&As (i) highlight the main principles of the APM guidelines; (ii) encourage issuers to use caution when adjusting APMs-and when including new APMs to address the impact of COVID-19; (iii) invite issuers to provide narrative information regarding the modifications made, the assumptions used and the impact of COVID-19, and information on measures taken or expected to be taken by issuers to address the impact that the COVID-19 outbreak may have on their operations and performance.	https://www.esma.europa.eu/sites/default/files/library/esma32-51-370_qas_on_esma_guidelines_on_apms.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (7/18)

Institution	Date	Sector	Headline	Summary	Link
EIOPA	17.03.20	Insurance	**Statement on actions to mitigate the impact of COVID-19**	EIOPA has stated that it will limit its request for information to firms to only those which are essential to the current situation, that it is extending the deadline of the Holistic Impact Assessment for the 2020 Solvency II Review by two months, to 1 June 2020. It also pointed that a ladder of intervention for SCR and MCR breaches exist, and that this includes the possibility to extend recovery periods of affected insurers. Finally, it stated that insurance companies should take measures to preserve their capital position in balance with the protection of the insured, following prudent dividend and other distribution policies, including variable remuneration.	https://www.eiopa.europa.eu/content/eiopa-statement-actions-mitigate-impact-COVID-19COVID-19-eu-insurance-sector_en
EIOPA	20.03.20 27.07.20	Insurance	**Recommendations to NCAs on applying supervisory flexibility to the deadline of supervisory reporting and public disclosure**	Following EIOPA's Recommendations of 20 March 2020 on annual and quarterly reporting and publication deadlines, EIOPA considers that insurance and reinsurance undertakings should now be in condition to comply with the deadlines provided in the Solvency II framework.	https://www.eiopa.europa.eu/content/eiopa-statement-solvency-ii-supervisory-reporting-context-covid-19-0
EIOPA	01.04.20	Insurance	**Balance Sheet Review of the Romanian insurance sector rescheduled**	In view of the special circumstances generated by the COVID-19 pandemic, the Romanian Supervisory Authority and the European Occupational Pensions Authority have decided to postpone the start of the Balance Sheet Review of the Romanian insurance sector. The new cut-off date for the balance sheet data and the amended exercise timeline will be communicated in due time.	https://www.eiopa.europa.eu/content/balance-sheet-review-romanian-insurance-sector-rescheduled
EIOPA	02.04.20	Insurance	**Climate risk sensitivity analysis data request cancelled**	The climate risk sensitivity analysis 2020 data request to complete data available for top-down element and qualitative survey to groups reporting for FS purposes as agreed in the roadmap for the 2020 exercise on climate-related transition risks will be cancelled. The report will be performed with the available information	https://www.eiopa.europa.eu/sites/default/files/press/news/statement-measures-on-information-requests-covid-19-april2020.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (8/18)

Institution	Date	Sector	Headline	Summary	Link
EIOPA	02.04.20	Insurance	**Statement on consultations and data requests delays**	EIOPA has announced that: the review of technical implementation means for the package on Solvency II Supervisory Reporting and Public Disclosure, comments deadline is extended by six weeks from 20 April to 1 June 2020; the consultation on PEPP ITSs, comments deadline is extended by four weeks from 20 May to 17 June 2020; the consultation on Discussion Paper on IBOR transitions, comments deadline is extended by nine weeks from 30 April to 30 June 2020 and; the Market and Credit Risk Comparative Study information request deadline is extended by five weeks from 31 May to 3 July. EIOPA has also announced that the discussion note on value-chain/Insurtech publication for comments and the second discussion paper on methodological principles of insurance stress testing publication for public comments are delayed to a date to be determined. Finally, the climate risk sensitivity analysis 2020 data request is cancelled, and the data collection for the work on the impact of ultra low yields will be launched later than planned	https://www.eiopa.europa.eu/content/update-other-measures-impacted-covid-19-pandemic_en
EIOPA	02.04.20	Insurance	**Statement on consultations and data requests delays**	EIOPA has announced that: the review of technical implementation means for the package on Solvency II Supervisory Reporting and Public Disclosure, comments deadline is extended by six weeks from 20 April to 1 June 2020; the consultation on PEPP ITSs, comments deadline is extended by four weeks from 20 May to 17 June 2020; the consultation on Discussion Paper on IBOR transitions, comments deadline is extended by nine weeks from 30 April to 30 June 2020 and; the Market and Credit Risk Comparative Study information request deadline is extended by five weeks from 31 May to 3 July. EIOPA has also announced that the discussion note on value-chain/Insurtech publication for comments and the second discussion paper on methodological principles of insurance stress testing publication for public comments are delayed to a date to be determined. Finally, the climate risk sensitivity analysis 2020 data request is cancelled, and the data collection for the work on the impact of ultra low yields will be launched later than planned	https://www.eiopa.europa.eu/content/update-other-measures-impacted-covid-19-pandemic_en

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (9/18)

Institution	Date	Sector	Headline	Summary	Link
EIOPA	09.04.20	Insurance	**Technical specifications for recommendations on supervisory flexibility regarding the deadline of supervisory reporting and public disclosure**	The document provides detailed technical instructions to be followed by insurers and reinsurers, as well as by national EU regulators, with regards to "Recommendations on supervisory flexibility regarding the deadline of supervisory reporting and public disclosure – Coronavirus/COVID-19", published in March.	https://www.eiopa.europa.eu/sites/default/files/solvency_ii/technical-specifications-recomendation-supervisory-flexibility-deadline-supervisory-reporting-covid-19-april2020.pdf
EIOPA	20.04.20	Insurance	**Statement on principles to mitigate the impact of Coronavirus/COVID-19 on the occupational pensions sector in Europe**	The statement, addressed to national competent authorities, outlines principles related to business continuity and operational risk, liquidity position, funding situation and pro-cyclicality, protection of members and beneficiaries, and communication.	http://www.eiopa.europa.eu/content/statement-principles-mitigate-impact-coronaviruscovid-19-occupational-pensions-sector-europe_en
ECB Central Bank	29.04.20	Cross-sector	**ECB extends deadlines for reporting statistical information in the context of COVID-19**	The ECB has decided to postpone remittance dates for insurance corporation statistics by 8 weeks (to 2 June 2020), pension funds statistics (to 11 August 2020), and payments statistics (to 26 June 2020).	https://www.ecb.europa.eu/pub/pdf/other/ecb.200429_extension_deadlines_statistical_info_covid~13f0c6dca1.en.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (10/18)

Institution	Date	Sector	Headline	Summary	Link
EBA, ESMA, EIOPA	04.05.20	Capital Markets	**EMIR RTS on various amendments to the bilateral margin requirements in view of the international framework**	The EBA, EIOPA and ESMA (the ESAs) have published joint draft Regulatory Technical Standards (RTS) to amend the Delegated Regulation on the risk mitigation techniques for non-centrally cleared OTC derivatives (bilateral margining) under EMIR, to incorporate a one-year deferral of the last two implementation phases of the bilateral margining requirements. This is in response to the COVID-19 outbreak. These amendments were developed to facilitate further an internationally coordinated approach on how to adapt the implementation of the bilateral margin requirements. On 3 April, the Basel Committee on Banking Supervision (BCBS) and the International Organisation of Securities Commissions (IOSCO) announced their agreement to defer by one year the deadline for completing the final two implementation phases of the bilateral margin requirements, in order to provide additional operational capacity for counterparties to respond to the immediate impact of COVID-19. The draft RTS incorporates these changes into the EU regulatory framework. These changes would result in covered counterparties with an aggregate average notional amount (AANA) of non-centrally cleared derivatives above €50 billion becoming subject to the requirement to exchange initial margin from 1 September 2021, while covered counterparties with an AANA of non-centrally cleared derivatives above €8 billion becoming subject to the requirement from 1 September 2022.	https://www.esma.europa.eu/press-news/esma-news/joint-rts-amendments-bilateral-margin-requirements-under-emir-in-response-covid
ESMA	06.05.20	Capital Markets	**ESMA reminds firms of conduct of business obligations under MiFID II**	ESMA highlights the risks for retail investors when trading in the current uncertain market circumstances, and reminds investment firms of the key conduct of business obligations under MiFID – namely product governance, information disclosure, suitability and appropriateness. In the current environment, firms have even greater duties when providing investment or ancillary services to investors, especially when these investors are new to the market, or have limited investment knowledge or experience. ESMA therefore reminds firms of their obligation to act honestly, fairly and professionally and in accordance with the best interests of their clients.	https://www.esma.europa.eu/sites/default/files/library/esma35-43-2391_esma_statement_on_covid-19_retail_investor_activity.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (11/18)

Institution	Date	Sector	Headline	Summary	Link
ECB	08.05.20	Cross-sector	**Survey on the access to finance of enterprises, including SMEs**	The survey documents key trends in the need for an availability of external financing for firms in the Euro area. Highlights include that SME turnovers deteriorated for the first time since 2014, as did profits. The improvement of the availability of external finance for SMEs slowed, although bank interest rates continued to decline. SMEs' expectations for the future availability of external finance fell significantly.	https://www.ecb.europa.eu/stats/ecb_surveys/safe/html/ecb.safe202005~c4b89a43b9.en.html
ESMA	11.05.20	Cross-sector	**Set of actions in five priority areas identified to address the impact of COVID-19**	The actions include: a recommendation to ESMA to coordinate with national competent authorities in undertaking a focused piece of supervisory engagement with investment funds that have significant exposures to corporate debt and real estate assets to assess the current state of preparedness for potential future redemption pressures; and to coordinate a top-down analysis to assess the impact of a common scenario of large-scale downgrades across all parts of the financial sector.	https://www.esrb.europa.eu/news/pr/date/2020/html/esrb.pr200514~bb1f96a327.en.html
ESRB	14.05.20	Cross-sector	**Letter to IASB on exposure draft COVID-19 related rent concessions**	ESMA welcomed the IASB initiative to introduce a “practical expedient that may provide relief for lessees in accounting for rent concessions granted by lessors” due to the COVID-19 pandemic. It also agreed that the scope of the practical expedient should be limited. It thinks however that reducing the timeline of application only to lease payments originally due in 2020 might be overly restrictive. Therefore ESMA recommended that the IASB further assesses the relevant applicable length of the practical expedient and suggested to extend its applicability to all COVID-19-related rent concessions that have originated in 2020 provided that they occur by end of Q2 2021.	https://www.esma.europa.eu/system/files_force/library/esma32-61-402_iasb_ifrs_16_covid19_amendments.pdf?download=1

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (12/18)

Institution	Date	Sector	Headline	Summary	Link
ESRB	14.05.20	Cross-sector	**The General Board of the European Systemic Risk Board takes second set of actions in response to the coronavirus emergency at its extraordinary meeting 6th May 2020**	The General Board of the ESRB discussed a first set of actions in five priority areas identified to address the impact of COVID-19 on the financial system from a macroprudential perspective. The aim is to achieve an effective policy response across sectors and countries and make sure that necessary national macroprudential actions do not cause negative spillovers and negatively affect the EU's Single Market.	https://www.esrb.europa.eu/news/pr/date/2020/html/esrb.pr200514~bb1f96a327.en.html
EIOPA	19.05.20	Insurance	**Publication adjustment of risk-free interest rate term structures and symmetric adjustment to equity risk**	EIOPA has changed the frequency of current extraordinary processes for risk-free interest rate term structures and symmetric adjustment to equity risk from a weekly basis to every two weeks.	https://www.eiopa.europa.eu/content/change-extraordinary-rfreda-productions-weekly-frequency-every-two-weeks
ESMA	20.05.20	Cross-sector	**Statement on transparency on COVID-19 effects in half-yearly financial reports**	The statement addresses the implications of the COVID-19 pandemic on the half-yearly financial reports of listed issuers and highlights (i) the importance of providing relevant and reliable information, which may require issuers to make use of the time allowed by national law to publish half-yearly financial reports while not unduly delaying the timing of publication; (ii) the importance of updating the information included in the latest annual accounts to adequately inform stakeholders of the impacts of COVID-19; and (iii) the need for entity-specific information on the past and expected future impact of COVID-19 on the strategic orientation and targets, operations, performance of issuers as well as any mitigating actions put in place to address the effects of the pandemic.	https://www.esma.europa.eu/sites/default/files/library/esma32-63-972_public_statement_on_half-yearly_financial_reports_in_relation_to_covid-19.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (13/18)

Institution	Date	Sector	Headline	Summary	Link
EBA	02.06.20	Banking	**Guidelines to address gaps in reporting data and public information in the context of COVID-19**	The guidelines aim to address data gaps in supervisory reporting and disclosure associated with measures put in place to deal with the COVID-19 crisis, such as loan mortatoria and public guarantees of loans. The EBA is introducing, on a temporary basis, additional reporting for the application of the payment moratoria, forbearance measures applied in response to COVID-19 to the existing loans and public guarantees to new lending in response to the COVID-19 pandemic. The first reporting reference date and the disclosure reference date will be 30 June 2020.	https://eba.europa.eu/sites/default/documents/files/document_library/Publications/Guidelines/2020/884434/EBA GL 2020 07 Guidelines on Covid -19 measures reporting and disclosure.pdf
ESRB	08.06.20	Cross-sector	**European Systemic Risk Board (ESRB) takes second set of actions in response to COVID-19**	The ESRB has established an EU-wide framework to monitor the financial stability implications of government support measures, such as loan guarantee schemes and debt moratoria. The ESRB also adopted a recommendation that introduces minimum requirements for national monitoring, and a framework for reporting to the ESRB by national macroprudential authorities. It recommends that Pillar 2 provisions in the Solvency II regulatory regime should be enhanced in the medium term to enable supervisors to require firms to hold a liquidity buffer. The ESRB also published a recommendation on the restriction of distributions during the COVID-19 pandemic, covering banks, certain investment firms, insurers, reinsurers and central counterparties. Finally, the ESRB issued a recommendation aimed at limiting the cliff effects in relation to liquidity risks arising from margin calls.	https://www.esrb.europa.eu/news/pr/date/2020/html/esrb.pr200608~c9d71f035a.en.html
ESRB	08.06.20	Cross-sector	**The General Board of the European Systemic Risk Board takes second set of actions in response to the coronavirus emergency at its extraordinary meeting 27th May 2020**	The ESRB continues to address the exceptional challenges stemming from the COVID-19 pandemic and its potential impact on the financial system of the EU and has agreed on a second set of actions. These macroprudential actions, which refer to the five priority areas identified by the ESRB, together with reinforced coordination, are aimed at ensuring that the European financial system is able to withstand the shock and thus prevent an even sharper loss of economic capacity and jobs.	https://www.esrb.europa.eu/news/pr/date/2020/html/esrb.pr200608~c9d71f035a.en.html

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (14/18)

Institution	Date	Sector	Headline	Summary	Link
ESMA	11.06.20	Capital Markets	**Decision renewing the temporary requirement for disclosure of net short positions**	ESMA is renewing its decision, originally issued on 16 March, to temporarily require the holders of net short positions in shares traded on an EU regulated market to notify the relevant NCA if the position exceeds 0.1% of the issued share capital. The measure applies from 17 June 2020 for a period of three months.	https://www.esma.europa.eu/press-news/esma-news/esma-renews-its-decision-requiring-net-short-position-holders-report-positions
ESMA	11.06.20	Capital Markets	**Statement on MiFIR open access and COVID-19**	The statement seeks to clarify the application of the open access provisions (OAP) for trading venues (TVs) and central counterparties (CCPs) in light of the recent adverse developments related to COVID-19, and to coordinate the supervisory actions of national competent authorities (NCAs). ESMA considers that the current market uncertainty and volatility may negatively impact CCPs and TVs operations and increase their operational risk. These risks, combined with limited capacity for assessing access requests and for managing the migration of transactions flows, may affect the orderly functioning of markets or financial stability. ESMA therefore expects NCAs to take into consideration relevant adverse developments when taking decisions on open access requests. The current MiFIR exemptions, allowing NCAs to temporarily exempt TVs and CCPs from the OAP for exchange traded derivatives (ETDs), expire on 3 July and will apply from 4 July.	https://www.esma.europa.eu/sites/default/files/library/esma70-156-3070_statement_access_etds.pdf
EBA	18.06.20	Banking	**Statement on the extension to the deadline for the application of its Guidelines on payment moratoria to 30 September**	The Statement recognised the potential trade-offs faced in granting this extension, given that the persistent liquidity shortages under the current circumstances may develop into solvency issues that will need to be properly assessed by banks on a case-by-case basis. The EBA also highlighted that the implementation timeline envisaged in the EBA's IRB roadmap to repair internal models remains overall unchanged but that there may be institution-specific circumstances requiring more flexibility. Consequently, the EBA noted that supervisors may want to use their supervisory discretion in line with Article 146 of the Capital Requirements Regulation (CRR).	https://eba.europa.eu/eba-extends-deadline-application-its-guidelines-payment-moratoria-30-september

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (15/18)

Institution	Date	Sector	Headline	Summary	Link
EBA	07.07.20	Cross-sector	**Report on the implementation of selected COVID-19 policies**	The report clarifies how a number of elements in the EBA's Guidelines on legislative and non-legislative loan moratoria should be interpreted, and also gives an overview of the general payment moratoria in place in the EU. The report also considers the COVID-19 related issues which can arise in applying the operational risk framework, and seeks to clarify supervisory expectations regarding the treatment of operational risk losses.	https://eba.europa.eu/sites/default/documents/files/document_library/Publications/Reports/2020/888311/Report on implementation of selected COVID-19 policies .pdf
EIOPA	08.07.20	Insurance	**Supervisory expectations on product oversight and governance requirements in the context of COVID-19**	To ensure the continued fair treatment of customers in light of COVID-19, EIOPA is asking insurance manufacturers to: identify their products affected as a result of COVID-19; assess possible unfair treatment of customers for these products; and consider proportionate remedial measures, such as adjustments to coverage and benefits, extensions of existing guarantees through 'tailor-made' clauses, and higher no-claims bonuses.	https://www.eiopa.europa.eu/sites/default/files/publications/eiopa-pog-statement-july2020.pdf
EBA	09.07.20	Banking	**Statement calling on resolution authorities to consider the impact of COVID-19 on resolution strategies and resolvability assessments**	The EBA highlighted that resolution authorities should consider the impact of COVID-19 on banks and their business models when taking decisions on resolution plans and on minimum requirements for own funds and eligible liabilities (MREL). Resolution authorities should also use resolution colleges as the main fora to exchange information and share decisions.	https://eba.europa.eu/sites/default/documents/files/document_library/News and Press/Press Room/Press Releases/2020/Calling on resolution authorities to consider the impact of COVID-19 on resolution strategies and resolvability assessments/888569/EBA statement on resolution planning in light of the COVID-19 pandemic.pdf
ESMA	21.07.20	Capital Markets	**Public Statement on supervisory action on accounting for COVID-19 lease modifications**	The statement promotes coordinated action by National Competent Authorities (NCAs) in the context of the COVID-19 pandemic in relation to issuers' obligations to publish periodic information that is drawn up in accordance with the relevant reporting framework.	https://www.esma.europa.eu/sites/default/files/library/esma32-61-417_public_statement_on_supervisory_action_on_accounting_for_covid-19_lease_modifications.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (16/18)

Institution	Date	Sector	Headline	Summary	Link
EBA	21.07.20	Cross-sector	**List of public guarantee schemes issued in response to the COVID-19 pandemic**	The list provides an overview of the 47 public guarantee schemes established by EU member States and EEA members.	https://eba.europa.eu/eba-publishes-overview-public-guarantee-schemes-issued-response-covid-19-pandemic
ESMA	21.07.20	Cross-sector	**ESMA recommends supervisory coordination on accounting for COVID-19-related rent concessions**	ESMA recommends that NCAs should not prioritise supervisory actions on the application of the lease modifications requirements contained in IFRS16. This recommendation is intended to apply exceptionally for the financial period ending on or before 31 July 2020, and for as long as issuers account for those transactions on the basis of the IFRS16 amendment.	https://www.esma.europa.eu/press-news/esma-news/esma-recommends-supervisory-coordination-accounting-covid-19-related-rent
EU Commission	24.07.20	Capital Markets	**Capital Markets Union recovery package**	The package contains targeted adjustments to the Prospectus Regulation, MiFID II and securitisation rules. All of the amendments are at the heart of the Capital Markets Union project aimed at better integrating national capital markets and ensuring equal access to investments and funding opportunities across the EU.	https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1382
EIOPA	27.07.20	Insurance	**Statement on Solvency II supervisory reporting in the context of COVID-19**	Following EIOPA's Recommendations of 20 March 2020 on annual and quarterly reporting and publication deadlines, EIOPA considers that insurance and reinsurance undertakings should now comply with the deadlines provided in the Solvency II framework. EIOPA also states that insurance and reinsurance undertakings are expected to report in the Solvency II solo quarterly Own Funds template (S.23.01).	https://www.eiopa.europa.eu/content/eiopa-statement-solvency-ii-supervisory-reporting-context-covid-19
ESMA	28.07.20	Capital Markets	**RTS to further postpone CSDR settlement discipline**	The proposal would delay the entry into force of the CSDR settlement discipline regime until 1 February 2022. This is due to the impact of COVID-19 on the implementation of regulatory projects and IT deliveries by CSDs and came as a request from the European Commission.	https://www.esma.europa.eu/press-news/esma-news/esma-preparing-new-rts-further-postpone-csdr-settlement-discipline

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (17/18)

Institution	Date	Sector	Headline	Summary	Link
EBA	11.08.20	Banking	**Implementing Technical Standards (ITS) on supervisory reporting and guidance on impact of CRR adjustments in response to the COVID-19 pandemic on supervisory reporting and disclosure**	The EBA published three documents - a revised version of its ITS on supervisory reporting, and two sets of guidelines on disclosures and supervisory reporting requirements. They provide clarifications on the application of the CRR quick fix on institutions' disclosures and supervisory reporting, introduced in response to the COVID-19.	https://eba.europa.eu/sites/default/documents/files/document_library/Publications/Draft Technical Standards/2020/ITS/Revised final draft ITS on reporting for v3.0/923100/Final report on the draft ITS on supervisory reporting v3.0 - CRR quick fix.pdf https://eba.europa.eu/sites/default/documents/files/document_library/Publications/Guidelines/2020/GLs on supervisory reporting and disclosure requirements in compliance with CRR %E2%80%9Cquick fix%E2%80%9D/923102/Guidelines on supervisory reporting and disclosures - CRR quick fix.pdf https://eba.europa.eu/sites/default/documents/files/document_library/Publications/Guidelines/2020/GLs to amend disclosure guidelines EBA/GL/2018/01/923101/Guidelines amending EBAGL201801 to ensure compliance with the CRR %E2%80%9Cquick fix%E2%80%9D due to COVID 1 9 pandemic.pdf
EBA	13.08.20	Banking	**EBA updates its work programme for 2020 in light of the COVID-19 pandemic**	The annual work programme for 2020 has been updated to reflect changes in its activities following the COVID-19 pandemic. The updated work programme aims to alleviate the burden on banks and to limit the interaction with the industry. For this reason, the EBA only launched new consultations which were considered critical, postponed the publication of final technical standards depending on their degree of finalisation and expected time of implementation, and put on hold data collections normally used for ad-hoc analyses.	https://eba.europa.eu/sites/default/documents/files/document_library/923593/EBA 2020 Work Programme - Revised %281%29.pdf

Policy initiatives in response to the COVID-19 pandemic – EU

Supervisory policy: Amendments to other planned activities (18/18)

Institution	Date	Sector	Headline	Summary	Link
ECB Central Bank	25.11.20	Cross-sector	**ECB financial stability review**	The review covers a wide range of topics, including the macro-financial and credit environment, financial markets, the resilience of the European banking sector, the non-bank financial sector, and the impact of policy measures taken in response to the COVID-19 crisis. The publication also includes a number of special feature publications, covering corporate vulnerabilities, €STR transition, the sovereign-bank nexus, banks' loan loss provisioning, the performance of green finance instruments, the potential 'cliff-effects' of COVID-19 policy support, and the effect of negative rates on euro area banks' lending margins.	https://www.ecb.europa.eu/pub/financial-stability/fsr/html/ecb.fsr202011~b7be9ae1f1.en.html
ECOFIN	15.03.21	Cross-sector	**Technical note on the sectoral impact of COVID-19**	The note providers a scene-setting analysis of the effect of COVID-19 on macroeconomic and business activity in the Eurozone for Eurogroup Ministers, including an analysis of the effect of policy support measures by governments.	https://www.consilium.europa.eu/media/48767/eg-note-sectoral-impact_fin.pdf

International initiatives in response to the COVID-19 pandemic

Policy initiatives in response to the COVID-19 pandemic – International

Fiscal, supervisory and regulatory measures (1/7)

Institution	Date	Sector	Headline	Summary	Link
BCBS	27.03.20	Banking	**BCBS extends Basel III implementation date**	In response to the evolving circumstances around COVID-19, the BCBS Governors and Heads of Supervision (GHOS) body announced that it had decided to extend the target implementation date of revisions of the Basel III framework from 1 January 2022 to 1 January 2023. In line with this, the five year phase-in period for the standardised output floor was also extended to run to 1 January 2028.	https://www.bis.org/press/p200327.htm
IAIS	27.03.20	Insurance	**IAIS Executive Committee takes steps to address impact of COVID-19 on the insurance sector**	The statement gives the backing of the IAIS to measures adopted in support of the fair treatment of customers and facilitation of the sharing of information on supervisory measures being taken or planned in relation of COVID-19. A number of initial adjustments were also agreed to provide operational relief to member supervisors, insurers and stakeholders while continuing to further a coordinated supervisory response at the global level in support of policyholder protection and the maintenance of financial stability.	https://www.iaisweb.org/page/news/press-releases/file/89387/27-march-2020-media-release-iais-executive-committee-takes-steps-to-address-impact-of-covid-19-on-the-insurance-sector
FSB	02.04.20	Cross-sector	**FSB reprioritises 2020 work programme**	The FSB decided to reprioritise its projects following four main criteria. The main elements of reprioritisation will include: assessment of vulnerabilities; non-bank financial intermediation; financial innovation and cross-border payments; resolution; OTC derivatives; benchmark transition; work on supervisory and regulatory policies; and implementation monitoring. More generally, the FSB's work on COVID-19 includes: (i) information sharing on evolving financial stability threats and policy measures taken by financial authorities; (ii) assessment of financial risks and vulnerability in the current environment; and (iii) coordination of policy responses to maintain global financial stability, ensure the good functioning of markets, and promote financial stability.	https://www.fsb.org/work-of-the-fsb/addressing-financial-stability-risks-of-covid-19/
BCBS	03.04.20	Banking	**Measures to reflect the impact of COVID-19**	The measures include: technical clarifications related to the exceptional measures introduced by governments and banks, such as government guarantee programmes, payment moratoria and IFRS9; amendment to the transitional arrangements for expected credit loss; agreement with IOSCO to defer the final two implementation phases for non-centrally cleared derivatives by a year; and postponement of the implementation of the revised G-SIB framework by a year.	https://www.bis.org/bcbs/publ/d498.pdf

Policy initiatives in response to the COVID-19 pandemic – International

Fiscal, supervisory and regulatory measures (2/7)

Institution	Date	Sector	Headline	Summary	Link
BCBS/IOSCO	03.04.20	Capital Markets	**Deferral of the implementation of margin requirements for non-centrally cleared derivatives**	In light of the significant challenges posed by COVID-19, including the displacement of staff and the need for firms to focus resources on managing risks associated with current market volatility, BCBS and IOSCO have agreed to extend the deadline for completing the final two implementation phases of the margin requirements for non-centrally cleared derivatives, by one year. This extension aims to provide additional operational capacity for firms to respond to the immediate impact of COVID-19 and, at the same time, facilitate covered entities to act diligently to comply with the requirements by the revised deadline.	https://www.bis.org/press/p200403a.htm
IOSCO	08.04.20	Capital Markets	**IOSCO reprioritises its work programme to address impact of COVID-19**	Resources will be redeployed to focus primarily on matters that are directly affected by COVID-19. These efforts include examining investment funds, as well as margin and other risk management aspects of central clearing for financial derivatives and other securities. The work being delayed or paused includes IOSCO's analysis of the use of AI and Machine Learning by market intermediaries and asset managers, the impact of the growth of passive investing and potential conduct-related issues in index provision, issues around market data, outsourcing and implementation monitoring.	https://www.iosco.org/news/pdf/IOSCONEWS562.pdf
IMF	13.04.20	Cross-sector	**IMF Executive Board Approves immediate Debt relief for 25 countries**	Relief will be provided under the revamped Catastrophe Containment and Relief Trust, which can currently provide US$ 500 million in grant-based debt service relief. The grants will cover the countries' IMF debt obligations for an initial phase over the next six months.	https://www.imf.org/en/News/Articles/2020/04/13/pr20151-imf-executive-board-approves-immediate-debt-relief-for-25-countries
G20	15.04.20	Cross-sector	**G20 Finance Ministers agree action plan to fight COVID-19**	Finance Ministers agreed an action plan that includes a call for the swift implementation of a $200 billion support package from the World Bank Group and Regional Development Banks. The group also agreed measures including suspending debt payments from the world's poorest countries and an enhanced IMF support package.	https://www.gov.uk/government/news/chancellor-leads-on-g20-finance-ministers-action-plan-to-fight-covid-19-global-outbreak

Policy initiatives in response to the COVID-19 pandemic – International

Fiscal, supervisory and regulatory measures (3/7)

Institution	Date	Sector	Headline	Summary	Link
FATF	04.05.20	Cross-sector	**Report on COVID-19-related money laundering and terrorist financing risks and policy responses**	The paper identifies challenges, good practices and policy responses to new money laundering and terrorist financing threats and vulnerabilities arising from COVID-19.	https://www.fatf-gafi.org/media/fatf/documents/COVID-19-AML-CFT.pdf
BIS	05.05.20	Banking	**Bulletin on releasing bank buffers to cushion the COVID-19 crisis**	The report highlights that: i. Banks globally entered the COVID-19 crisis with roughly US$ 5 trillion of capital above their Pillar 1 regulatory requirements; ii. the amount of additional lending will depend on how hard banks' capital is hit by the crisis, on their willingness to use the buffers and on other policy support; and iii. in an adverse stress scenario such as the savings and loan crisis, banks' usable buffers would decline to US$ 800 billion, which could support US$ 5 trillion of additional loans (6% of total loans outstanding). But in a severely adverse scenario, similar to the Great Financial Crisis, the corresponding figures would be only US$ 270 billion and US$ 1 trillion (1.3% of total loans).	https://www.bis.org/publ/bisbull11.htm
BIS	06.05.20	Banking	**Financial Stability Institute report on banks' dividends in COVID-19 times**	The report highlighted the high divergence in scope and stringency in the measures taken by jurisdictions in relation to banks' distribution policies. It also noted that the automatic distribution constraints under Basel III when capital falls below specific thresholds may disincentivise firms from following authorities' recommendations to use capital buffers. Finally, blanket distribution restrictions imposed through supervisory action may help address these disincentives to the extent that they are not linked to firms' individual capital positions and thus remove any possible stigma effect.	https://www.bis.org/fsi/fsibriefs6.pdf

Policy initiatives in response to the COVID-19 pandemic – International

Fiscal, supervisory and regulatory measures (4/7)

Institution	Date	Sector	Headline	Summary	Link
IMF	21.05.20	Cross-sector	**Position note on the regulatory and supervisory implications of COVID-19 for the banking sector**	The note (published jointly with the World Bank) includes a set of high-level recommendations that can guide national regulatory and supervisory responses to COVID-19. These include maintaining transparency and, where necessary, additional guidance on risk disclosure, and ensuring the smooth functioning of critical market infrastructure.	https://www.imf.org/~/media/Files/Publications/Miscellaneous/English/2020/IMFWBSPNEA2020001.ashx
BIS	28.05.20	Cross-sector	**Paper on Implications of COVID-19 related payment holidays for loan valuations, market trust and financial stability**	The paper notes that although governments and banks have introduced payment deferral programmes to support borrowers affected by Covid-19, deferred payments are not forgiven and must be repaid in the future, raising prospective risks to the banking system. Prudential authorities are caught "between a rock and a hard place" as they encourage banks to provide credit to solvent but cash-strapped borrowers. In navigating these tensions, banks and supervisors face a daunting task as borrowers that may be granted payment holidays have varying risk profiles.	https://www.bis.org/fsi/fsibriefs8.pdf
IOSCO	29.05.20	Capital Markets	**IOSCO encourages issuers' fair disclosure about COVID-19 related impacts**	The statement highlights the importance to investors and other stakeholders of having timely and high-quality information about the impact of COVID-19 on issuers' operating performance, financial position and prospects. It also encourages issuers to balance the flexibility provided by regulators extending the period to file financial information with the responsibility to provide timely and comprehensive financial information that includes reasonable and supportable judgments.	https://www.iosco.org/news/pdf/IOSCONEWS568.pdf
IMF	15.06.20	Cross-sector	**Blog on how banking supervisors should respond to COVID-19**	The IMF has provided nine recommendations to guide bank supervisors in their response to the pandemic. These include facilitating public and private support interventions that target affected borrowers and sectors; providing guidance on asset classification and provisioning, building on guidance from standard-setting bodies; and refraining from relaxing the regulatory definition of nonperforming exposures.	https://blogs.imf.org/2020/06/15/combating-covid-19-how-should-banking-supervisors-respond/

Policy initiatives in response to the COVID-19 pandemic – International

Fiscal, supervisory and regulatory measures (5/7)

Institution	Date	Sector	Headline	Summary	Link
BIS	17.06.20	Banking	**Statement on Basel Committee meeting**	The Committee confirmed that it will give banks enough time to restore buffers taking account of economic and market conditions and individual bank circumstances. The Committee reviewed the domestic regulatory and supervisory measures taken by members in response to the pandemic and agreed to submit a stocktake of these measures to the FSB for their report to the G20 Finance Ministers and Central Bank Governors virtual meeting in July 2020. In addition to the work on COVID-19, the Committee approved: (i) final revisions to the credit valuation adjustment risk framework, which will be published in the coming weeks; and (ii) a technical amendment on the prudential treatment of non-performing loan securitisations, which will be published for consultation next week.	https://www.bis.org/press/p200617.htm
FSB	01.07.20	Capital Markets	**Statement on the impact of COVID-19 on global benchmark reform**	Having discussed the impact of COVID-19 on benchmark transition, the FSB maintains its view that financial and non-financial sector firms across all jurisdictions should continue their efforts in making wider use of risk-free rates in order to reduce reliance on IBORs and to remove remaining dependencies on LIBOR by end-2021. It stated that COVID-19 has highlighted that the underlying markets LIBOR seeks to measure are no longer sufficiently active.	https://www.fsb.org/wp-content/uploads/R010720.pdf
FSB	15.07.20	Cross-sector	**Sets out action to maintain financial stability during COVID-19**	The FSB published a letter from its Chair, Randal K. Quarles, to G20 Finance Ministers and Central Bank Governors. The letter sets out a number of areas of focus for the FSB during COVID-19 including: monitoring to help policymakers to anticipate and address developing risks in the financial system; and reinforcing resilient non-bank financial intermediation. The letter also emphasises the FSB's continuing commitment to existing work to strengthen the global financial system, including through evaluating post-crisis financial reforms, supporting a smooth transition away from LIBOR and developing a roadmap to improve cross-border payments. The FSB published a report to the G20 on the financial stability implications of, and policy measures taken in response to, the COVID-19 pandemic alongside the Chair's letter.	https://www.fsb.org/2020/07/fsb-sets-out-action-to-maintain-financial-stability-during-covid/

Policy initiatives in response to the COVID-19 pandemic – International

Fiscal, supervisory and regulatory measures (6/7)

Institution	Date	Sector	Headline	Summary	Link
IOSCO	07.09.20	Capital Markets	**Statement on importance of disclosure about COVID-19**	IOSCO stated that current challenges and conditions make high quality disclosures all the more important. It re-iterated that investors and other stakeholders need timely and high quality financial information complete with transparent and entity-specific disclosures, including information about the impact of COVID-19 on the issuer's operating performance, financial position, liquidity, and future prospects.	https://www.iosco.org/library/pubdocs/pdf/IOSCOPD655.pdf
BIS	12.10.20	Banking	**Paper by Patrizia Baudino on stress-testing banks during the Covid-19 pandemic**	Highlights from the paper are as follow: (i) In response to the COVID-19 pandemic, a number of authorities that regularly conduct stress tests on individual banks adjusted their approach - they performed ad hoc exercises to assess the vulnerability of the banking sector as a whole. (ii) In the short term, such stress tests can support the assessment of the pandemic's impact at an aggregate level. (iii) As the pandemic evolves and its impact is better understood, authorities can further adjust their stress tests and refine their key features accordingly - this will allow for a more granular bank-level assessment.	https://www.bis.org/fsi/fsibriefs11.htm
BIS	18.11.20	Banking	**FSB highlights need for resolution preparedness**	The report updates on progress in implementing policy measures related to the resolvability of G-SIIs, and lessons learned from COVID-19 around resolvability, including for central counterparties (CCPs). G-SIBs are estimated to already meet their final 2022 Total Loss Absorbing Capacity (TLAC) requirements. Most authorities have established crisis management groups for systemic CCPs, and commenced resolution planning. However, progress on the implementation of national insurance resolution schemes has slowed down, with no significant reforms published since the FSB's last report in November 2019. Key attention areas for the FSB's work on resolution planning for insurers are intra-group connectedness, and funding in resolution. In terms of lessons learned from COVID-19, the FSB highlights that monitoring metrics (both at micro and macro level) show room for improvement, while markets for TLAC were affected by broader volatility in markets in March.	https://www.fsb.org/2020/11/fsb-highlights-need-for-resolution-preparedness/
IOSCO	22.12.20	Cross-sector	**Report on retail market conduct risks during COVID-19**	The report examines common retail misconduct risks that have arisen in the financial services industry during the pandemic and sets out measures to assist authorities in responding.	https://www.iosco.org/news/pdf/IOSCONEWS588.pdf

Policy initiatives in response to the COVID-19 pandemic – International

Fiscal, supervisory and regulatory measures (7/7)

Institution	Date	Sector	Headline	Summary	Link
BIS	30.03.21	Cross-sector	**Global database on central banks' monetary policy responses to COVID-19**	The working paper presents a global database developed by the BIS on the monetary policy response of central banks following the COVID-19 pandemic. The database catalogues policy tools that were deployed, as well as additional information about them such as the types of assets that were purchased and the availability of fiscal backups for each programme.	http://www.bis.org/publ/work934.pdf

Annex

Annex

Delayed or cancelled regulatory and supervisory activities – as of 10 May (1/6)

Region	Body	Regulatory/supervisory initiative		Revised timeframe
UK	HMT	Solvency II Review: Call for Evidence		Following earlier extension, consultation period closed on 19 February 2021
		Consultation on the future regulatory framework review		Following earlier extension, consultation period closed on 19 February 2021
	BoE	2020 annual stress test – the annual cyclical scenario		Cancelled
		Amendments to the biennial exploratory scenario (BES) timetable:	Results of the 2019 BES on liquidity due to be published mid-2020	Cancelled
			Launch of the BES for banks, insurers and the financial system	Postponed until June 2021
	BoE/FCA	Joint survey into open-ended funds		Delayed until further notice
	BoE	End-state MREL deadlines	End-state MREL requirements for mid-tier UK banks to be met	1 January 2023
		Resolution Assessment framework	Firms to submit first reports assessing their resolvability	Delayed to October 2021
			BoE public disclosure of firms' resolvability	Delayed to June 2022
	PRA	Insurance Stress test (IST)		The PRA published the results of the 2019 insurance stress test (IST) in the form of a Dear CEO letter. It also announced in this letter that it would postpone the next IST until 2022 in order to alleviate the burden for firms in light of COVID-19.
		Internal Ratings Based (IRB) models:	Implementation of proposals relating to the definition of default, probability of default and loss given default	Delayed to 1 January 2022
			Move to hybrid IRB models	
		Flexibility around reporting and disclosure for insurers		The PRA will accept up to eight weeks' delay for certain aspects of harmonised regulatory reporting, such as the ORSA, the group and solo level annual Quantitative Reporting Templates (with exceptions to certain templates, such as the own funds template), and the Solvency & Financial Condition Report

Annex

Delayed or cancelled regulatory and supervisory activities – as of 10 May 2021 (2/6)

Region	Body	Regulatory/supervisory initiative		Revised timeframe
UK	PRA	Deadline for PRA firms to comply with EBA outsourcing Guidelines		The PRA will not expect an explanation from firms if they miss the December 2021 deadline for compliance with the EBA's outsourcing guidelines, due to delays caused by COVID-19
	FCA	Listed companies' publication of audited annual financial reports from the end-FY20		Firms allowed an extra two months
		Firms' announcement of preliminary financial accounts		Delay publication for at least two weeks
		Delayed CPs:	CP on Joint principles and New Consumer Duty	May 2021
			CP on the FCA's approach to market integrity and wholesale markets	TBC
			CP on aligning FCA guidance on selective disclosures with case law	
			CP on removing the minimum repayment amount from the manual repayment screen of credit card, store card and catalogue credit customers	
			CP on mortgage switching	
			CP on effective competition in non-workplace pensions	H1 2021
			CP on investment platforms exit fees remedy	Stopped/cancelled

Annex

Delayed or cancelled regulatory and supervisory activities – as of 10 May 2021 (3/6)

Region	Body	Regulatory/supervisory initiative		Revised timeframe
UK	FCA	Delays to publications and other activity due before end June:	Policy statement: pension transfer advice: contingent charging and other proposed changes	Published 05.06.20
			Multi firm review: key findings on the sale and advice of equity release	Published 17.06.20
			Discussion paper: prudential requirements for MiFID Investment Firms	Published 23.06.20
			Feedback statement: intergenerational differences	Published 22.07.20
			Vulnerability guidance	Published 29.07.20
			Vulnerability research	
			GI pricing final report and CP on remedies	Published 22.09.20
			Directory of certified persons (due to be published on the Financial Services Register)	Published 08.01.20
			Value measures pilot: general insurance	Published 08.09.20
			Policy statement: prohibiting the sale to retail clients of investment products that reference crypto-assets	H1 2021
			10% depreciation notifications	Temporary measures to be extended till end of 2021
			RTS 27 reports	No action to be taken against firms who do not produce any for the rest of the year 2021
			Credit Information market study – interim report	2021
			Multi firm review: Operational Change Management	TBC
			FCA and Practitioner Panel Survey	
			Wholesale Broker Remuneration	On hold, resumption TBC
			Assessing suitability review 2	

Annex

Delayed or cancelled regulatory and supervisory activities – as of 10 May 2021 (4/6)

Region	Body	Regulatory/supervisory initiative		Revised timeframe
UK	FCA	Delayed implementation of rules:	PS 20/03: Signposting to travel insurance for consumers with medical conditions	TBC
			PS 18/20: Pensions Transfer Specialist Qualification rules in policy statement	1 October 2021
			PS 19/21: Retirement Outcomes Review: feedback on CP19/5 and our final rules and guidance	1 February 2021
			PS 19/29: Making transfers simpler – feedback to CP19/12 and final rules	
			Policy Statement: Introducing a Single Easy Access Rate for Cash Savings	Stopped
	ICO	AI Auditing Framework Guidance consultation		Extended to 1 May

Annex

Delayed or cancelled regulatory and supervisory activities – as of 10 May 2021 (5/6)

Region	Body	Regulatory/supervisory initiative		Revised timeframe
EU	EC	Provisions in new legislation:	Open access exemption	Exemption extended to 4 July 2021
	EBA	Delays to all ongoing public consultations		Deadlines extended by two months.
		RTS on the determination of the exposures arising from derivatives contracts and credit derivatives underlying a debt or equity instrument under the large exposures regime		Delayed
		Level 2 mandates related to BRRD2		
		Cost of compliance study on supervisory reporting		Delayed to H1 2021
		RTS specifying conditions to be taken into account when assessing the appropriateness of LGD values		Delayed to 31 July 2021
		First reference date for reporting under the FRTB standardised approach		Delayed to September 2021
		RTS on the identification of shadow banking entities under the large exposures regime		Delayed to December 2021
		Completion of an integrated EU data hub and streamlined reporting framework		Delayed to Q1 2022
		Feasibility study on an integrated EU data hub and streamlined reporting framework		
		Feasibility study on an integrated EU data hub and streamlined reporting framework		
		CRD5 level 2 mandates related to IRRBB		Delayed to March 2022
		RTS on the definition of connected clients under the large exposures regime		Delayed to December 2022
	ESMA	Requirement for net short positions in shares traded on a EU regulated market to report to NCAs if the position reaches or exceeds 0.1% of the issued share capital		Decision now expired and threshold has reverted back to 0.2%
		Final draft amended RTS on settlement discipline		Implementation postponed until 1 February 2022
		RTS 27 reports		To be suspended till 28 February 2023
	EIOPA	Holistic impact assessment for the 2020 Solvency II review.		Deadline extended to 1 June 2020

Annex

Delayed or cancelled regulatory and supervisory activities – as of 10 May 2021 (6/6)

Region	Body	Regulatory/supervisory initiative		Revised timeframe
EU	EIOPA	Climate change transition risk sensitivity analysis		The data request is cancelled
		Consultation deadlines extended	Review of technical implementation means for the package on Solvency II Supervisory Reporting and Public Disclosure	Deadline is extended by six weeks from 20 April to 1 June 2020
			Consultation on PEPP ITSs	Deadline is extended by four weeks from 20 May to 17 June
			Consultation on DP on IBOR transitions	Deadline is extended by nine weeks from 30 April to 30 June
			Market and Credit Risk Comparative Study	Deadline is extended by five weeks from 31 May to 3 July
			Discussion note on value-chain/Insurtech publication and the second discussion paper on methodological principles of insurance stress testing	Published January 2021
		LTG review information request		EIOPA was not going to carry out the LTG review information request to insurers this year, but the information request to NCAs will be postponed from Q2, and likely to Q3.
		Discontinuance of extraordinary RFR/EDA processes		As of September 2020, EIOPA has discontinued producing and publishing extraordinary processes for risk-free interest rate term structures (RFR) and symmetric adjustment to equity risk (EDA). The production of monthly RFR/EDA will continue.
		Consultation on the ORSA in the context of COVID-19		EIOPA stated that the current situation should trigger an ad-hoc/non-regular ORSA if the pandemic materially affects the risk profile of an insurer, and that where there is indication of a material impact, insurers should perform an ad-hoc /non-regular ORSA to be submitted to the Competent Authority earlier than the regular one if needed.
	SRB	Data requests related to the upcoming 2020 resolution planning cycle		

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