



**BANK OF ENGLAND**

# News release

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## **Prudential Regulation Authority publishes rules on its new accountability regimes for banks and insurers**

The Prudential Regulation Authority (PRA) has today published the first set of rules to implement the new Senior Managers Regime and Certification Regime for UK banks, building societies, credit unions and PRA-designated investment firms and the Senior Insurance Managers Regime for Solvency II insurers. The rules for both regimes will come into force on 7 March 2016, with some aspects of the Senior Insurance Manager's Regime applying from 1 January 2016 in order to transpose Solvency II.

The rules published today set out the scope of the Senior Managers Regime, the Senior Insurance Managers Regime and the PRA's Certification Regime. The rules also cover how firms should allocate responsibilities to individuals and how firms should assess individuals' fitness and propriety.

Andrew Bailey, Deputy Governor, Prudential Regulation, Bank of England and CEO of the PRA said:

"This paper marks a major milestone in implementing our new accountability regimes for banks and insurers. We believe that individuals in firms should be held accountable if they fail to meet reasonable standards. The new regimes should not deter individuals from performing a senior role; rather they will ensure that people know what they need to do to demonstrate to us that they have assumed the appropriate responsibility to their role and taken all reasonable steps to mitigate or stop failings in their area."

A further set of rules on the outstanding elements of the regimes will be published later in the year. This will include the elements of the PRA's new regimes which need to be finalised in conjunction with the Financial Conduct Authority. This will also contain aspects of the regimes which are still under consultation, including how the accountability regime will apply to branches of non-EEA banks and how the Senior Insurance Manager's Regime will apply to Non-Executive Directors.

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## **Notes to Editors**

1. [PS3/15: Strengthening individual accountability in banking and insurance — responses to CP14/14 and CP26/14](#)
2. The PRA has previously published several Consultation Papers setting out how it proposes to implement the new accountability regimes:
  - [CP 14/14: Strengthening accountability in banking: a new regulatory framework for individuals](#)
  - [CP 26/14: Senior insurance managers regime: a new regulatory framework for individuals](#)
  - [CP 28/14: Strengthening accountability in banking: forms, consequential and transitional aspects](#)
  - [CP 7/15: Approach to Non-Executive Directors in banking and Solvency II insurance firms & Application of the Presumption of Responsibility to Senior Managers in banking firms](#)
  - [CP 9/15: Strengthening accountability in banking: UK branches of foreign firms](#)