

# AFB ROUND-UP

The Association of Foreign Banks: “Building Banking Business”



@foreignbanksuk

## AFB UPDATE

3 December 2020



Dear Members,

Many of us recently have been cheered by the news of COVID-19 vaccine success – and this week we got the news that the Pfizer vaccine has been approved in the UK. We can finally start to hope of a return to meeting in person.....

At the AFB we are approaching our final events of the year. I'd like to take this opportunity to thank you for continuing to support our events programme - and don't forget to keep up to date with us on [Twitter](#) or [LinkedIn](#), because we're busy planning next year already.

Keep an eye out next week for an email from Amy Swain, AFB Director of Member and Stakeholder Engagement containing important information about your membership subscription

### RECLAIM FUND

Watch out for an email about participation in the UK's dormant assets scheme run by the [Reclaim Fund](#).

Speaking of next year, our SECOND Senior Managers' Development Programme, to be held in Spring 2021, is almost fully booked, so if you want to attend, [click here](#). Huge thanks to the member banks who have helped develop our offer by completing our Training Survey – we will now set about designing and delivering the Training courses you want - highly relevant and specific to foreign banks, so that we offer real value Back@Bank. Further information on this can be found [here](#).

With my very best wishes as ever, Catherine

### AFB LINKS UP WITH THE FSSC

Back at the start of this year, our survey of members told us that one of the things that is important to you is the future of FS skills here in the UK. I'm therefore delighted to tell you that the AFB has taken membership in the Financial Services Skills Commission. Banks can contribute by joining our Skills Working Group [here](#)

## PRACTICE, EVENTS & TRAINING UPDATE: *Plans for 2021 and Expert Panel Output Papers*

JUMP to [AFB EVENTS PROGRAMME](#) to see events planned for 2021

JUMP to [AFB TRAINING PROGRAMME](#) to find out more about the Senior Managers Development Course & the [AFB TRAINING ACADEMY](#)

**SEMESTER 3 EXPERT PANEL OUTPUT PAPERS WILL BE PUBLISHED SHORTLY – [CONTACT US](#) TO ADD YOUR NAME TO THE CIRCULATION LIST**

- [Compliance Expert Panel - European Commission's Consultation on MiFID II/R review](#)
- [Financial Crime Expert Panel - Update on AML Regs 2017 & remote working challenges](#)
- [Heads of Internal Audit Expert Panel - How and Why the Audit Approach & Focus is Changing in Response to Covid-19](#)
- [Heads of Legal Expert Panel - EU Competition Law /Loan Markets](#)
- [Operational Risk Expert Panel - Long-term home working and the associated operational risks](#)

We publish Output Papers following each Expert Panel, to add your name to the circulation list. [CONTACT US](#)

## POLICY & REGULATORY UPDATE: *Latest updates on AFB Policy*

- The Climate Financial Risk policy working group met virtually **with the PRA** on 20 November to discuss member queries on the PRA's guidance regarding climate financial risk. The points raised by the AFB at the meeting can be found [here](#).
- Following the publication of the **FCA Consultation Paper 20/20** on 23 September regarding its approach to international firms post Brexit, an AFB policy working group prepared a response which was submitted on 27 November. To access the response please click [here](#).
- The **JMLSG Trade Finance Policy Working Group** submitted the **redrafted Part 2, Sector 15 guidance** on trade finance to the JMLSG panel on 25 November.
- The AFB attended the City of London Corporation **Green Horizon Summit**. The Summit aimed to provide financiers with the tools and momentum needed to navigate the transition to net zero. A summary of the conference is available for members to read [here](#).

REVIEW PROGRESS ON ALL [POLICY & REGULATORY PROJECTS](#) & GET INVOLVED BY [JOINING THE AFB POLICY & REGULATORY NETWORK](#)

CONTACT US [secretariat@foreignbanks.org.uk](mailto:secretariat@foreignbanks.org.uk) 0207 283 8300 [Twitter](#) and [LinkedIn](#)

# AFB EVENT PROGRAMME

Given the ongoing situation regarding the COVID-19 pandemic the AFB is monitoring the situation carefully and taking feedback from members and partners. We will be continuing to hold all AFB events virtually at the start of 2021, the safety of our members is of paramount importance to us and we will return to holding in-person events when it is deemed safe to do so.

Please note that you will be asked to log in to our member portal to complete your event registration, using your username and password. If you cannot remember these details, you can [reset them here](#) or email [sara.winter@foreignbanks.org.uk](mailto:sara.winter@foreignbanks.org.uk) For more information on any event, contact [secretariat@foreignbanks.org.uk](mailto:secretariat@foreignbanks.org.uk)

## 2021 SEMESTER 1 TOPICS (MORE TO BE ADDED SOON!) (NOT YET OPEN FOR BOOKING - DATES /FORMAT TBC)

Date tbc	Brexit
Date tbc	LIBOR Transition – next steps for Foreign Banks
Date tbc	Environmental, Social & Governance
Date tbc	Diversity & Inclusion
Date tbc	Operational Resilience for Foreign Banks
Date tbc	Conduct & Culture

## 2021 NETWORKING EVENT DATES FOR YOUR DIARY (not yet open for booking)

12 May	Networking Lunch	Mansion House Lunch	£tbc	Mansion House
4 November	Networking Dinner	Annual Banquet	£tbc	Drapers Hall

## EXPERT PANEL OUTPUT PAPERS – SEMESTER 3 2020

Compliance Expert Panel	<a href="#">European Commission's Consultation on MiFID II/R review</a>	<a href="#">SIGN UP</a>
Financial Crime Expert Panel	<a href="#">Update on AML Regs 2017 &amp; remote working challenges</a>	<a href="#">SIGN UP</a>
Heads of Legal Expert Panel	<a href="#">EU Competition Law /Loan Markets</a>	<a href="#">SIGN UP</a>
Heads of Internal Audit Expert Panel	<a href="#">How and Why the Audit Approach &amp; Focus is Changing in Response to Covid-19</a>	<a href="#">SIGN UP</a>
Operational Risk Expert Panel	<a href="#">Long-term home working and the associated operational risks</a>	<a href="#">SIGN UP</a>

# AFB TRAINING UPDATE

## SENIOR MANAGERS DEVELOPMENT PROGRAMME

Due to unprecedented member demand, we will be running an additional Senior Managers Development Programme in 2021, following unprecedented demand for the first course, there are only 2 places available – [Book your place](#)

The schedule for this Programme, which follows the same content as the first will be:

9 February 2021	Bye-Bye LIBOR – What do you need to know now?	16 March 2021	Financial crime – crisis or drama?
23 February 2021	Operational resilience – testing your limits	18 March 2021	Trends in AML enforcement and market abuse
25 February 2021	Corporate Governance: Non-financial risk conduct issues and trends	23 March 2021	Cyber risk and international data flows
11 March 2021	FCA-proofing your whistleblower frameworks	25 March 2021	UK sanctions in a fast-changing world

All sessions are scheduled to take place between 10.00 – 11.15

### FURTHER INFORMATION

Regulatory change in the UK remains a key area of focus for all banks and keeping abreast of these developments can seem a herculean task. To help those in designated Senior Manager and other senior positions, the AFB has partnered with international law firm Bryan Cave Leighton Paisner (“BCLP”) to provide this bespoke eight-session development programme designed to highlight some of the current key issues facing foreign banks operating in the UK and provide practical advice on what members need to do to ensure compliance and minimise their exposure Back@Bank.

Each of the eight sessions detailed below will provide an overview of:

- The legal and/or regulatory issues
- Recent developments and what is on the horizon
- Regulatory expectations and requirements for authorised firms and their Senior Managers
- Practical tips to help member banks ensure compliance and minimise risks
- Written material highlighting key concepts and ‘takeaways’

If you have any further questions or would like to discuss, please [contact us](#)

## THE AFB TRAINING ACADEMY – THANK YOU FOR YOUR VIEWS

We recently conducted a survey to ensure that future plans for expanding our training offering meets with member’s needs. Within the survey, members were asked to comment on how often they participated in training, who they currently use to provide training courses, how they preferred training to be delivered, what topics they would like to see and for which level of seniority of staff they wanted this.

We received a tremendous response to this survey and would like to thank the 51 banks who shared their thoughts with us. This means that the views of more than 25% of the membership are reflected in the results. We have also seen that the responses represent a relatively varied range of banks, in line with our general membership.

The complete analysis of the survey results is quite lengthy, but we wanted to share some of the key findings:

- Two-thirds of banks participate in annual training courses
- Whilst the current method of choosing a provider is mixed, 98% of respondents would be open to attending a course organised by the AFB
- Two-thirds of banks would prefer in-person training and there is bias towards courses being relatively short in duration
- Course topics received varying responses but there is noticeable interest in the areas of Compliance, Financial Crime, Risk Management and Conduct and Culture with an overall emphasis placed on Mid-level staff attending courses
- A total of 82% of respondents said that they would be more interested in a training course that they knew would be repeated so that they could train an overall higher number of staff
- Where comments were provided, these often highlighted the need for training to focus on UK-specific issues

This information will be used as we build our plans for the AFB Training Academy in 2021. However, we will always look to be agile and able to respond to changing needs when circumstances require it – as has been seen throughout this year. Don’t hesitate to get in touch with us.

# POLICY AND REGULATORY AFFAIRS PROJECTS

Membership of AFB POLICY & REGULATORY NETWORK IS INCLUDED AS PART OF YOUR MEMBERSHIP: [Sign up](#)

The AFB's policy work is continuing using virtual platforms. The AFB is continuing to act as a conduit for feedback and dialogue between member banks and regulators in the policy areas listed below.

To find out more and/or get involved with these policy workstreams, [Contact Dami Oluwa, AFB Policy Associate](#)

Topic	Key Dates	Process
Climate Financial Risk PRA/FCA	Climate Financial Risk Forum industry guidance sponsored by FCA/PRA published on 29 June	The working group met with the PRA on 20 November to discuss member queries relating to the PRA's guidance on climate financial risk as set out in SS3/19. A meeting of the working group will be held on 8 December to review the discussion that took place at the meeting.
Redrafting JMLSG Guidance (Part II) on Trade Finance (Sector 15)	Submission of the updated version of the Sector 15 guidance to JMLSG panel on 25 November 2020	AFB is leading the update of this sector on behalf of the industry. The JMLSG panel will be reviewing the updated version of the Part 2 Sector 15 guidance in detail at its January 2021 meeting.
LIBOR Transition FCA/PRA	Deadline for discontinuation of LIBOR - End 2021	The AFB has sent letters to the <b>RFR WG</b> and <b>LMA</b> regarding member queries about the transition process and the responses have been distributed. The AFB has sent further queries to the Bank of England on behalf of the working group regarding the transition. A meeting of the working group took place on 3 December to discuss the recent FCA consultations regarding benchmarks regulation.
EMIR Margin Implementation Requirements FCA/PRA	Delayed due to COVID-19	A roundtable with FCA/PRA for trade associations and representative AFB members is being planned for early 2021.
Return to working in the office	Ongoing	The AFB undertook surveys on returning to the office of its members in <b>May</b> and <b>July</b> . A further <b>survey</b> requesting an update was sent on 2 September. Results were circulated to CEO and PRN contacts on 18 September.
Money Laundering Reporting (following implementation of 5MLD) FCA	Ongoing	The AFB has gathered information from working group members on the prescribed responsibilities of SMFs 16 and 17 within firms. A meeting of the working group took place on 5 November in which members agreed to submit to the FCA queries regarding prescribed responsibilities and the FCA's financial crime strategy post Brexit.
Financial Services Skills Commission HMT	Ongoing	A summary of the structure and aims of the FSSC can be accessed <a href="#">here</a> . The AFB has become an FSSC industry partner and two AFB members are contributing to the FSSC workstreams. A working group has been formed to provide feedback to the workstream representatives. If members are interested in joining the working group, please email <a href="mailto:dami.oluwa@foreignbanks.org.uk">dami.oluwa@foreignbanks.org.uk</a>
CP20/20: Our approach to international firms FCA	Submission of response on 27 November 2020/ FCA feedback due in Q1 2021	An AFB working group formulated and submitted a <b>response</b> to the FCA consultation paper. The response has been circulated to the working group and PRN for information.
Future Regulatory Framework Review HMT	Submission of consultation response by 19 January 2021	An outline of a draft response has been sent to the PRN for comment. If AFB members are interested in joining the working group that is preparing the response to the consultation paper, then please email <a href="mailto:dami.oluwa@foreignbanks.org.uk">dami.oluwa@foreignbanks.org.uk</a>