

AFB ROUND-UP

The Association of Foreign Banks: “Building Banking Business”



@foreignbanksuk

AFB UPDATE

January 2021



Dear Members,

Welcome to 2021 and let me start by wishing all AFB members a very Happy New Year. Catherine is on holiday this week and she asked me to send you her very best wishes for 2021.

Here at the AFB, we are ready to support you as we navigate this year, whether that be queries following the UK's exit from the EU, supporting you to engage with UK

Regulators or via one of our practice events specifically organised to assist you Back@Bank. Look out for the new AFB events calendar which will be launched in the coming weeks – all our events are shared with members via email or on social media so if you don't already – do follow us on [Twitter](#) or [LinkedIn](#).

Our full list of Policy projects can be found [here](#) – we're always keen to welcome new members to our Policy & Regulatory Network so **get in touch** if you haven't already signed up – this is a fantastic opportunity to network with other members and receive the very latest intelligence on policy and regulatory issues impacting your bank.

This week, we will be contacting members with your 2021 subscription invoice; this will reflect the new changes to the AFB Subscription Model which members were consulted on at the end of 2020. Please do get in touch if you have any questions.

Best wishes, Amy Swain, Director of Member & Stakeholder Engagement

PRA Webinar

The PRA is hosting a webinar for AFB members/international firms operating in the UK (as branches or subsidiaries) on 11 January at 15.00 on the PRA's expectations as a host supervisor. This event is specifically designed for international firms and is being held in advance of the publication of a consultation document on this topic by the PRA. [Register here](#)

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

JUMP to [AFB EVENTS PROGRAMME](#) to see some of the topics we intend to run as events in 2021

JUMP to [AFB TRAINING PROGRAMME](#) to find out more about the Senior Managers Development Course – there is just 1 place remaining!

2020 SEMESTER 3 EXPERT PANEL OUTPUT PAPERS WERE PUBLISHED AT THE END OF 2020:

- [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 work*

- 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 and the PRA's responses can be found [here](#).
- The **JMSLG Trade Finance Policy Working Group** has submitted the [redrafted Part 2, Sector 15 guidance](#). The redrafted guidance will be reviewed by the JMSLG panel on 13 January 2021.
- The AFB has **responded** to FCA consultation paper 20/20 regarding its approach to international firms post Brexit. Feedback from the FCA is expected in early 2021.
- The AFB is currently formulating a response to the HM Treasury [Future Regulatory Framework Review](#), with responses due by 19 February 2021. If AFB members are interested in providing input into the draft response, please contact dami.oluwa@foreignbanks.org.uk.

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

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

AFB EVENT PROGRAMME

Given the ongoing situation regarding the COVID-19 pandemic the AFB continues to monitor the situation carefully, taking feedback from members and partners. We will continue 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.

You will have received information from the AFB in December 2020 regarding the implementation of a new Business Model from January 2021. The decision to implement the new model was taken at the AFB Board meeting on 8 December 2020 after careful consultation and communication with member bank CEOs.

The new Business Model is one in which members will pay a higher membership subscription in exchange for INCLUSIVE attendance at almost all AFB events: this will include all Expert Panels, Briefings, Conferences and Seminars, as well as all Policy and Regulatory Affairs meetings. Workshops and Flagship Events (the CEO Programme, Mansion House Lunch and Annual Banquet) will remain chargeable.

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 For more information on any event, contact 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	Health & Safety
Date tbc	Conduct & Culture
Date tbc	Risk Management Briefing – Credit Risk
Date tbc	Finance Briefing – Making Tax Digital
Date tbc	Financial Crime Expert Panel - FinCen leaks and FCA fines in FinCrime

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

AFB TRAINING PROGRAMME

SENIOR MANAGERS DEVELOPMENT PROGRAMME – only 1 place remaining

Due to unprecedented member demand, we will be running an additional Senior Managers Development Programme in 2021, there is now only 1 place 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](#)

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 took place on 8 December to review the summary of the meeting with the PRA.
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 RFR WG and LMA 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 where members agreed to respond to FCA consultations regarding benchmarks regulation. A draft response is currently being prepared by the working group.
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 May and July . A further survey 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 here . 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 dami.oluwa@foreignbanks.org.uk
CP20/20: Our approach to international firms FCA	Submission of response on 27 November 2020	An AFB working group formulated and submitted a response to the FCA consultation paper. The response has been circulated to the working group and PRN for information. Feedback from the FCA on the consultation is expected in early 2021.
Future Regulatory Framework Review HMT	Submission of consultation response by 19 February 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 dami.oluwa@foreignbanks.org.uk