



Summary of regulatory developments

Updates for February 2022

This memo identifies and summarises any regulatory updates published during February 2022 that may be of relevance to life insurance companies.

The following table summarises the relevant updates identified in February.

REGULATORY ITEMS IDENTIFIED IN FEBRUARY THAT MAY BE OF RELEVANCE TO LIFE INSURANCE COMPANIES

Date	Description
7-Feb	European Supervisory Authorities (ESAs) publish a joint report in response to the European Commission's Call for Advice on Digital Finance
9-Feb	The European Insurance and Occupational Pensions Authority (EIOPA) publishes its Supervisory Convergence Plan for 2022
9-Feb	The Financial Conduct Authority (FCA) reflects on the LIBOR transition and what remains to be done
11-Feb	FCA proposes rules for pension providers to help deliver Pensions Dashboards
22-Feb	FCA publishes new financial sanctions measures in relation to Russia

Updates for February 2022

This section highlights articles of interest to life insurance companies released in February 2022.

ESAs

- ESAs [publish a joint report in response to the European Commission's Call for Advice on Digital Finance](#)

The ESAs have published a joint report recommending actions to ensure the EU's regulatory and supervisory framework remains fit-for-purpose in the digital age. The proposals aim to maintain a high level of consumer protection and address risks arising from the transformation of value chains, platformisation, and the emergence of new 'mixed-activity' groups which combine financial and non-financial activities. Recommendations include:

- A holistic approach to the regulation and supervision of the financial services value chain
- Strengthened consumer protection in a digital context, including enhanced disclosures, complaints-handling mechanisms, measures aimed at preventing the mis-selling of tied/bundled products, and improved digital and financial literacy
- Further convergence in the classification of cross-border services
- Further convergence in addressing money laundering/financing of terrorism risks in a digital context
- Effective regulation and supervision of 'mixed-activity groups,' including a review of prudential consolidation requirements
- Strengthened supervisory resources and cooperation between financial and other relevant authorities, including on a cross-border and multi-disciplinary basis
- Active monitoring of the use of social media in financial services

EIOPA

- EIOPA [publishes its Supervisory Convergence Plan for 2022](#)

EIOPA's priorities fall, similar to the previous plan, within the following key areas:

- Implementation of common supervisory culture and tools including work on proportionality, assessment of conduct risks, environmental, social and governance (ESG) issues, and group supervision
- Identification of risks to the internal market and level playing field including work on the calculation of technical provisions and benchmark studies on internal models, as well as inconsistencies in the treatment of reinsurance undertakings by National Competent Authorities
- Supervision of emerging risks including the implementation of the new framework on digital operational resilience, supervision of run-off undertakings, and the development of a supervisory convergence tool on cyber underwriting

EIOPA also added some new priorities for 2022 covering areas such as exclusions from insurance cover and the lack of clarity in insurance contracts.

FCA

- FCA [reflects on the LIBOR transition and what remains to be done](#)

On 31 December 2021, most LIBOR settings were published for the final time. Sterling markets navigated this transition on time and with minimal disruption, supporting global transition efforts towards alternative risk-free reference rates (RFRs).

Firms are encouraged to continue to pursue the active transition of legacy sterling LIBOR contracts currently using the temporary synthetic LIBOR. The FCA has been clear that synthetic LIBOR is a temporary bridge to RFRs, and its availability is not guaranteed beyond end-2022.

- [FCA proposes rules for pension providers to help deliver Pensions Dashboards](#)

FCA sets out the role regulated pension providers must play in helping to launch the Government's Pensions Dashboards initiative, which aims to empower savers to engage with their pensions. The Pensions Dashboards will enable customers to find and view all of their pension savings in one place. The FCA proposes that providers should be ready to receive requests to find pensions and search records for data matches.

The FCA is inviting feedback on its proposals by 8 April 2022 and intends to publish final rules in the autumn.

- [FCA publishes new financial sanctions measures in relation to Russia](#)

Following the Prime Minister's statement to the House of Commons on 22 February 2022, the UK has announced a tranche of sanctions on Russia. Firms should screen against the UK Sanctions List to meet these new sanctions measures and screen against the Office of Financial Sanctions Implementation (OFSI) list of asset freeze targets.

FCA also expects firms to have established systems and controls. Expectations are set out in Chapter 7 of the FCA's Financial Crime Guide including examples of good and poor practice in relation to firms' governance, risks assessment, and approaches to screening in relation to financial sanctions. Where the FCA identifies failings in financial crime systems and controls they can impose restrictions and/or take enforcement action.



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