



BANKING & FINANCE LITIGATION UPDATE

ISSUE 70

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The Banking & Finance Litigation Update is published monthly and covers current developments affecting the Group's area of practice and its clients during the preceding month.

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If you would like further advice, please contact **Paula Johnson** on **08700 111 111**.

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DOMESTIC BANKING

BANK OF ENGLAND

1. Spencer Dale, the Bank of England's chief economist, has indicated that the Bank will move away from its "forward guidance" policy on interest rates, saying that it is an "open question" as to whether the policy will be retained in the future as the economy continues to recover.

Financial Times, 28 October 2013

2. Mark Carney, governor of The Bank of England, has said that the way in which the Bank deals with banks experiencing financial problems will be brought into line with the European Central Bank ("ECB") and the Federal Reserve. The Bank will lend for longer, accept any asset which can be assessed for risk as collateral and reduce the costs of using its facilities.

Financial Times, 25 October 2013

BARCLAYS

3. Antony Jenkins, chief executive of Barclays, is to introduce a cost cutting programme to reduce the bank's balance sheet in relation to size and risk. The initiative will cut deeper than the current risk reduction programme which is already underway.

Telegraph, 31 October 2013

4. Barclays has reported an increase in pre-tax profits for the third quarter of 2013, up by almost £700 million to £351 million, although profits in its investment banking division fell. The bank has also confirmed that it is involved in an international investigation into alleged manipulation of currency markets.

Telegraph, 10 October 2013

5. Barclays Bank has joined the government's Help to Buy scheme. Santander has also signed up to the scheme in addition to other major lenders, including HSBC, Lloyds and RBS.

Telegraph, 10 October 2013

CO-OPERATIVE BANK

6. Niall Booker, chief executive of the Co-operative Bank, has suggested that the bank will not make a profit in the next four to five years. Mr Booker also announced that the bank's 324 branch estate will be reduced by 15% and that there will be an estimated 1,000 job losses.

Telegraph, 5 November 2013

7. The Co-operative Group has disclosed that the City regulator and accountancy bodies have been questioning information in the bank's 2012 annual report and accounts. The bank said that enquiries by the Financial Conduct Authority ("FCA") and the Financial Reporting Council are at a preliminary stage and that it is unable to say whether a formal investigation might be required.

Guardian, 4 November 2013

HSBC

8. HSBC has revealed that investment products may have been mis-sold by the bank to up to 200,000 British customers. Regulators have asked the bank to carry out a full investigation and make compensation payments. £93 million (\$149 million) has been set aside, largely to set up an outside inquiry by Grant Thornton.

Times, 5 November 2013

9. An improvement in its home markets in the UK and Hong Kong has helped HSBC report a 30 per cent rise in third-quarter, pre-tax profits to \$4.5 billion (£2.8 billion). Revenues for the quarter also increased, with pre-tax profits for the first nine months of 2013 standing at \$18.2 billion, compared to \$13.5 billion for the same period in 2012.

Telegraph, 5 November 2013

10. HSBC's chief risk officer, Marc Moses, has been appointed as an executive director of the bank. Mr Moses joined HSBC in 2005, taking up his current risk role in 2010. HSBC chairman Douglas Flint said that the appointment "reflects the criticality to the board of the risk function".

Telegraph, 2 November 2013

LLOYDS BANKING GROUP

11. Lloyds Banking Group has been asked by the FCA to carry out an internal investigation into the possible manipulation of its foreign exchange business. The review is part of a wider global investigation involving other major banks and the rigging of currency rates.

Telegraph, 6 November 2013

12. Lloyds Banking Group reported a loss of £440 million for the third quarter of 2013, but is still £1.7 billion in profit for the first three quarters of the year, up from a loss of £607 million at the same point in 2012. The third quarter loss was as a result of a £750 million provision for the mis-selling of PPI as well as £600 million lost as a result of the sale of the bank's German businesses. The bank's chief executive, Antonio Horta-Osorio, was positive, saying "We are back to being a normal company". He suggested that dividends to shareholders would resume.

Guardian.co.uk, 29 October 2013

13. Antonio Horta-Osorio has warned that the government's Help to Buy mortgage scheme, which Lloyds has joined, could cause a housing price bubble unless the limited supply in housing increases.

Telegraph.co.uk, 14 October 2013

14. Westpac Banking Corp has bought Lloyds Banking Group's Australian business for £860 million. The sale includes the bank's motor vehicle loan book, corporate loan portfolio and equipment book.

Telegraph, 11 October 2013

THE ROYAL BANK OF SCOTLAND

15. Greater measures are being taken by The Royal Bank of Scotland ("RBS") to boost its capital following an announcement by the Prudential Regulation Authority ("PRA") that it is getting ready to impose higher charges on the riskiest assets. The lender's chief executive, Ross McEwan, said "investors were not aware" that the financial regulator would have enforced higher capital charges on RBS's highest-risk loans even if at present they were doing well. The loans have gone into the new internal bad bank and in the coming three years the lender plans to raise its core tier 1 capital ratio to 12 per cent.

Times, 6 November 2013

16. Moody's has retained its negative outlook on RBS despite the fact that the bank is not going to be broken up. The rating agency said that although getting rid of non-core assets more quickly "eliminates the risk of losses to creditors" it "is not immune from execution risk".

Telegraph, 6 November 2013

17. RBS's chief executive is aiming to create a more normal capital structure for the bank by cancelling the banks "B" shares which were created in 2009 when RBS was bailed out by the government. Mr McEwan has had a number of meetings with the Treasury and talks are said to be at an advanced stage.

Sunday Telegraph, 3 November 2013

18. The decision by RBS to continue operating as the Ulster Bank across Ireland has been welcomed by the Secretary of State for Northern Ireland, Theresa Villiers, who said the reorganisation of RBS overall would "give Ulster Bank a greater ability to lend, providing extra help to Northern Ireland and the economy".

Guardian.co.uk, 1 November 2013

19. RBS will create a £38bn internal "bad bank" to get rid of legacy toxic assets on its balance sheet. It will be called RBS Capital Resolution Group and will commence operation in January. The announcement came as RBS reported a statutory pre-tax loss of £634m for the third quarter of 2013. RBS warned of heavy losses this year following the "bad bank" announcement. RBS also announced that the sale of its US banking arm, Citizens, will be brought forward and that it hopes to float the business on the stock market by the end of 2014. The Chancellor said selling-off the lender ahead of the general election is "unlikely".

Telegraph.co.uk, 1 November 2013

20. RBS is preparing to sell off its first portfolio of commercial property and its internal property unit, West Register, is accepting bids for the assets. The assets include industrial units once owned by RBS customers and have a guide price of £68 million. A successful sale could signal the sale of more bundles of assets in the near future.

Financial times, 25 October 2013

21. Global Treasury Funds, RBS's money market funds unit, has been sold to Goldman Sachs Asset Management for an undisclosed amount. It is

anticipated that the acquisition will complete in the first quarter of 2014.

Times, 22 October 2013

STANDARD CHARTERED

22. Standard Chartered has announced a fall in profits by "a low single digit percentage" in the third quarter of 2013 in its interim management statement but its chief executive, Peter Sands, is positive and says the bank is "resilient".

Telegraph, 30 October 2013

DOMESTIC GENERAL

23. The FCA has written to the bosses of the UK's four biggest banks telling them to speed up the process of compensating small firms mis-sold complex hedging products. Data from the FCA has shown that only a small part of the £3 billion set aside for compensation has actually been paid out by the banks at this point. A review of almost 30,000 cases was ordered by the regulator in May after serious failings in the way that products were sold were identified.

Guardian.co.uk, 7 November 2013

24. As the PRA prepares to enact a new EU directive, known as CRD4, UK lenders and their investors are getting ready for another significant increase in regulatory capital requirements. Analysts predict that UK plans for applying the rules, which come in in January, could force lenders to hold an extra £100 billion of equity capital as they move towards core tier one capital ratios of up to 13 per cent instead of the current norm of closer to 10 per cent.

Financial Times, 5 November 2013

25. The US mortgage market giant Fannie Mae is suing nine banks, including two from the UK, over the alleged manipulation of the Libor interest rate. Fannie Mae is looking for damages for what it describes as losses connected to the alleged misconduct in relation to the rate.

Independent, 1 November 2013

26. Plans for Britain to issue what would be the first Islamic bond outside the Muslim world have been unveiled by chancellor George Osborne, as he looks to make the City the "unrivalled western centre for Islamic finance." The hope is that the £200 million "sukuk" will act as a catalyst that

will see the City become a leading player in the \$1 trillion global sharia-compliant finance industry.

Financial Times, 29 October 2013

27. Although the Chancellor predicted that over £3 billion would be recovered this year only £440 million has actually been received as a result of a raid on secret Swiss bank accounts held by Britons. MPs have been informed that the Treasury has received "significantly less" tax than expected from Swiss banks so far this year.

Times, 29 October 2013

28. A leading cybercrime consultancy has warned that British banks and their customers are the focus of nearly all of the energy of one of the world's most sophisticated gangs of financial cybercriminals. Of the banks targeted by the group - known as Shylock - almost 80 per cent are British according to a report from Detica, the technology arm of defence contractor BAE Systems.

Times, 29 October 2013

29. A plan under consideration at the state-backed Business Bank could see taxpayer money used by the Government to guarantee loan insurance for small businesses. The proposal, submitted after a meeting with Vince Cable by a specialist merchant bank that advises tech start-ups, is being considered by the bank after the Business Secretary decided it was worth looking at.

Times, 28 October 2013

30. At least one bank has changed its customers' terms and conditions following the introduction of controversial "contactless" payment cards. First Direct has written to customers informing them that it has made changes to clarify that if they have a contactless debit card they must remove it from their wallet or purse before using it to make a contactless payment. The move appears to be in response to reports of mistaken payments, where a payment has been made without a customer's knowledge but where they believe they have accidentally brushed against a reader.

Telegraph, 26 October 2013

31. All customers of HSBC and RBS who were mis-sold interest rate hedging products have been given an unconditional assurance by their banks that they will be offered compensation without being forced to accept a deal on any separate claim for damages

Telegraph.co.uk, 23 October 2013

32. Outgoing deputy governor of the Bank of England, Paul Tucker, has warned that regulators need to "up their game" when it comes to overseeing shadow banks and hedge funds. In an interview with the Financial Times Mr Tucker said that it would be "absolutely disastrous" if the economic fragility of banks was recreated outside the banking sector.

Financial Times, 18 October 2013

33. Plans to allow Chinese banks to open lightly regulated entities in Britain have been defended by the head of the PRA, who denied there had been any political interference in the policy. Andrew Bailey insisted there would not be a "free for all" and that it was "not surprising" that, given their large presence, Chinese banks had asked for branch status.

Times, 18 October 2013

34. Former Standard Chartered executive, Ron Emerson, has been appointed as the first chairman of the British Business Bank. Vince Cable said that the bank, which it is hoped will unlock £10 billion of financial support over the next five years for expanding companies, is in a phase of "substantial expansion". Despite demands from business lobby groups the bank will not have a presence on the high street.

Telegraph, 18 October 2013

35. In a sign that the insurance mis-selling scandal is subsiding, the number of complaints made against banks is going down. The banks are also getting quicker at dealing with complaints, with figures from the FCA showing that 92 per cent of complaints reported in the first half of 2013 were settled in eight weeks.

Times, 17 October 2013

36. The FCA has started an investigation into allegations that staff at major banks made attempts to manipulate foreign exchange markets. The FCA has confirmed that the investigation into potential rigging of the £3.3 trillion (\$5.3 trillion) daily global trade in currencies is at an "early stage" and is part of a larger international investigation.

Telegraph, 17 October 2013

37. UK banks may need to inject millions more into their pension funds when new rules requiring

them to separate lower-risk deposit taking from higher-risk trading and investment activities come into force. The rules on ring-fencing high street banks mean that there is likely to be a demand from pension fund trustees that company contributions become higher so as to cover promises made to highly-paid employees in investment banking.

Financial Times, 14 October 2013

EUROPEAN BANKING

BNP PARIBAS

38. Over the last quarter net income at BNP Paribas increased 2.4pc as it battled fading growth and a dull economic environment in its core European markets by reducing costs. It reported a quarterly net income of €1.36bn (£1.16bn), rising from €1.33bn for the same quarter in 2012. The fragile departure of the eurozone from recession and a drop in fixed income trading affected both retail and investment banking and revenue decreased 4.2pc to €19.29bn.

Telegraph, 1 November 2013

CREDIT SUISSE

39. Garrett Curran has been named as the new chief executive of the Swiss bank's UK operation following the departure of James Leigh-Pemberton. Mr Curran will assume his new role at the end October whilst retaining his current roles as chief client officer for Europe, the Middle East and Africa and head of fixed-income sales for the same region.

Financial Times, 26 October 2013

40. Credit Suisse has reported an increase in profit for the third quarter of 2013, rising from SWFr 254 million at this point in 2012 to SWFr 454 million. However, the increase in profits was lower than predicted by analysts and resulted in a 3.34 per cent fall in the value of the Swiss lender's shares.

Times, 25 October 2013

DEUTSCHE BANK

41. Germany's Handelsblatt newspaper has reported that talks with as many as 50 staff have been started by Deutsche Bank as part of an inquiry into possible Libor-rigging. The bank declined to comment on the report.

Times, 21 October 2013

42. A joint stake in Rostelcom has been taken by Deutsche Bank and Russia's \$10 billion sovereign wealth fund ahead of a planned privatisation of the country's state-owned telecoms group. A joint statement from the Russian Direct Investment Fund, set up by President Putin in 2011, and the German banking giant, said they would invest a combined \$240 million in parity to "further develop and strengthen the company's market position".

Financial Times, 11 October 2013

EUROPEAN CENTRAL BANK

43. A sharp slowdown in inflation in the euro area has increased pressure on the ECB to cut interest rates. New figures show that the annual inflation rate in the euro area slowed unexpectedly in October to 0.7 per cent, well below the target of close to, but below, 2 per cent set by the ECB.

Financial Times, 1 November 2013

44. Mario Draghi has warned that in order for the credibility of the ECB's year-long review of the region's largest banks to be proved, some European banks will need to fail a series of ECB health checks. The assessments being carried out by the ECB are designed to overcome doubts over the financial health of banks prior to the central bank becoming the main banking supervisor, in place of national authorities, in a year's time.

Financial Times, 24 October 2013

45. In a sign of the increasing trade and investment between China and the Eurozone, a deal has been signed by the People's Bank of China and the ECB to begin supplying each other with their currencies. The currency swap agreement will last for three years, providing the ECB with a maximum of 350 billion yuan (£35.9 billion) and the Chinese bank with a maximum of €45 billion (£38.2 billion).

Telegraph, 11 October 2013

RABOBANK

46. Rabobank has agreed a settlement with its home regulator as well as the FCA and the US Department of Justice and Commodities Futures Trading Commission after admitting its role in the Libor rigging scandal. The bank was fined £663 million.

Telegraph, 30 October 2013

SANTANDER

47. Santander is re-entering the million-pound mortgage market. Some of the bank's standard mortgages will be made available to customers wishing to borrow up to £1.5m. A separate range of loans for customers wanting to borrow up to £2.5m has also been introduced.

Guardian.co.uk, 25 October 2013

48. Santander UK's advertising promotion for its 123 monthly charging account has paid dividends as the bank announced that a further 900,000 people have signed up to the account since the beginning of 2013. The bank also reported a drop in pre-tax profits from £1.04bn to £891m although that mostly reflected the lack of one-off gains made last year. Profit after tax stood at £717m. Profits saw a strong upsurge at the Spanish parent bank as bad debt provisions for property loans abated and there was marked improvement at its Brazilian division.

Independent, 25 October 2013

49. The chief executive of Spanish bank Santander, Javier Marin, has dismissed the likelihood of a floatation of its UK business next year but confirmed that this would be looked at again by the lender in the second half of 2014.

Telegraph, 25 October 2013

50. Santander is to provide second-phase funding to entrepreneurs as part of the government's Start Up Loans Company. The funding of up to £25,000 will be offered to those companies that have traded for at least half a year and have shown increased business and the potential to grow more.

Times, 14 October 2013

UBS

51. As the bank reported its third quarter results, UBS surprised the market by revealing that it is co-operating with global investigations that are looking into the possible manipulation of the foreign exchange market. The Swiss Financial Market Supervisory Authority is forcing UBS to hold more capital due to the possibility of "known or unknown litigation, compliance and other operational risk matters".

Guardian.co.uk, 29 October 2013

EUROPEAN GENERAL

52. The Swiss finance minister has stated that Switzerland's leverage rules should be made more stringent, causing shares in the two main Swiss banks, Credit Suisse and UBS, to fall significantly. The current rules mean that the two banks would need to increase their leverage ratios to over four per cent by 2019 but the minister indicated that this level might not be adequate.

Financial Times, 5 November 2013

53. A survey by Fitch Ratings has found that the largest banks in Europe have reduced their corporate lending and have invested instead over 25 per cent more in sovereign debt since 2011 in preparation for the introduction of more restrictive global capital rules. The results will cause concern amongst policy makers in Europe who want banks to hasten improvement in the economy by increasing lending.

Financial Times, 4 November 2013

54. The value of non-performing loans held by European banks has increased twofold from €514 billion in 2008 to €1.87 in 2012, according to findings in a report by PwC. The report blamed the increasingly poor economic conditions in Greece, Ireland, Italy and Spain for the rise in 2012 and said that the "uncertain economic climate" would mean that the value would continue to increase over the next few years.

Financial Times, 29 October 2013

55. Several European banks are in talks with investors about how to deal with the cap on bonuses. The banks are considering introducing new variable cash payments, known as allowances, which would be fixed annually and paid on a monthly basis but investors have greeted the proposals with a less than favourable response.

Financial Times, 28 October 2013

56. The European Parliament has called for the suspension of an agreement between the EU and US which enables information sharing about financial transactions as a means of investigating funding for terrorism. MEPs have called for the agreement to be frozen in the wake of the surveillance operations carried out by the US National Security Agency (NSA) which they feel allows the NSA to snoop into banking deals conducted by European citizens.

Guardian, 24 October 2013

57. Michel Bernier, the EU commissioner for internal markets, has insisted that the proposed EU cap on bankers' bonuses is legal, despite facing a challenge from the UK in the European Court of Justice. He defended the right of the European Commission to impose a limit to bonuses, which he described as the UK's "golden goose".

Guardian, 18 October 2013

58. The German finance minister has said that countries in the Eurozone will have to put any losses suffered by struggling banks onto their bondholders before common Eurozone funds can be used to support capital shortfalls. Germany has the right to prohibit the use of taxpayer funds. The comments come ahead of the European bank stress tests due in 2014.

Financial Times, 16 October 2013

INTERNATIONAL BANKING

BANK OF AMERICA

59. Bank of America's estimate of its possible highest legal costs has risen almost twofold to \$5 billion as a result of the various penalties it could incur in relation to the mis-selling of mortgage securities.

FT.com, 31 October 2013

60. Over the past two years approximately \$1 billion worth of shares in Bank of America have been bought by Qatar Holding, the direct investment arm of Qatar Investment Authority. The sovereign wealth fund is aiming to increase its exposure to the economic recovery in the US.

FT.com, 30 October 2013

CITIGROUP

61. Citigroup has reported pre-tax profits up 3% at \$4.6 billion for the three months to September 30. The bank has continued to cut costs to cope with the slowdown in the US mortgage market

Times, 16 October 2013

GOLDMAN SACHS

62. Goldman Sachs has eased the workload of its junior bankers following alarm over the burnout amongst young professionals in the City. The bank wants to discourage recruits from working "all-

nighters" and aims to recruit 12 per cent more graduates next year in order to spread the work.

Times, 30 October 2013

63. Shares in Goldman Sachs dropped by up to a couple of per cent after the bank revealed that a sharp slowdown in bond trading had bitten into third-quarter revenues. Income dropped by a fifth to \$6.7 billion (£4.1 billion), profits dropped by 2 per cent to \$1.43 billion. There was a 35 per cent cut to the pot of money set aside by the bank for bankers' pay, down to \$2.4 billion. The bank's chief executive, Lloyd Blankfein, laid some of the blame for the poor earnings on the Washington budget stand-off.

Telegraph, 18 October 2013

JPMORGAN CHASE

64. The US Federal Housing Finance Agency has announced that it has reached a settlement worth \$5.1 billion with JP Morgan over claims that the investment bank misled US mortgage firms Fannie Mae and Freddie Mac when it sold them \$33 billion worth of mortgage securities ahead of the financial crisis. JP Morgan has not admitted any wrongdoing under the terms of the settlement.

Independent.co.uk, 26 October 2013

65. Following a 17 month investigation by the Commodities Futures Trading Commission (CFTC) into losses caused by the trader Bruno Iksil, JP Morgan has agreed to pay a \$100 million fine, although the bank said it "neither admitted nor denied the CFTC's legal conclusion that there was a violation".

Times, 17 October 2013

NOMURA

66. Profits at Nomura were down to ¥38.1bn (£242.5m) in July to September. This is two-fifths lower than the first quarter which benefited from a sudden increase of foreign investment in Japanese stocks due to the new growth strategy of Japan's Prime Minister Shinzo Abe.

Financial Times, 30 October 2013

INTERNATIONAL GENERAL

67. McKinsey & Co has predicted that the next couple of years could see one hundred of the world's biggest banks being dismantled or taken over by more successful rivals. Underperformance and

inability to adapt to market conditions following the financial crisis have put about a fifth of the world's top 500 banks at risk of becoming takeover targets.

The Daily Telegraph, 7 November 2013

68. The US Federal Reserve has expanded its list of major banks on which it carries out tough stress tests so as to include the US subsidiaries of six foreign banks, including HSBC and RBS. The next annual evaluation of the strength of major banks will take place in early 2014 and will cover 30 banks.

Telegraph.co.uk, 1 November 2013

69. New standards on the way that lenders assess risk have been proposed, as global regulators look to crack down on banks that attempt to bend capital rules for their trading businesses. According to analysts, a newly published consultation paper from the Basel Committee on Banking Supervision could have significant repercussions on the way that banks run their trading operations.

Financial Times, 1 November 2013

70. Although healthy profit growth was reported by China's state-owned banks in the third quarter, decreases in the cushions to absorb losses and big increases in loan impairments point to accumulating stresses in the financial system.

Financial Times, 31 October 2013

71. The US Federal Reserve has suggested that the political brinkmanship which saw the US economy grind to a halt in October is likely to delay a taper of its massive bond-buying programme until 2014. Monthly asset purchases were maintained at \$85 billion a month by the Fed in its latest monthly monetary policy statement. Although the shutdown was not mentioned in the statement, the Fed hinted at a weaker growth outlook due to the ongoing battle over how America's debt pile should be controlled. The Fed also raised concerns over the US housing market and the impact on the economy of the across-the-board spending cuts known as the "sequester".

Telegraph, 31 October 2013

72. New liquidity requirements, including some standards that are tougher than those within the Basel III international regulatory accord, have been proposed for large US banks by the Federal Reserve. The Fed liquidity rules were called

"super equivalent" to Basel by Fed governor Daniel Tarullo, because of the differences that would exist between the two sets of rules.

Financial Times, 25 October 2013

73. Following a simulated cyber-attack that ended up closing the US stock market, the Securities Industry and Financial Markets Association is to push for more co-operation with the government. The one-day exercise, known as Quantum Dawn 2, was organised by the industry body amid increasing concern over the vulnerability of the financial system to cyber terrorists and hackers.

Financial Times, 21 October 2013

PRESS RELEASES

74. **Joint Committee Consultation Paper on draft guidelines for complaints - handling for the securities (ESMA) and banking (EBA) sectors**
A joint consultation from the European Banking Authority ("EBA") and European Securities and Markets Authority consultation is looking for comments on guidelines for complaints handling in the securities and markets sectors. Comments by February 7, 2014.

European Banking Authority and European Securities and Markets Authority, 6 November 2013
<http://www.eba.europa.eu/documents/10180/475982/JC-CP-2013-03+Joint+Committee+CP+complaints-handling+guidelines.pdf>

75. **Appointment of Chief Information Security Officer**
The Bank of England has appointed Don Randall as its Chief Information Security Officer. The CISO role has been newly created by the Bank to target issues relating to information security, including cyber threats. It reflects the importance the Bank attaches to information security and builds on its existing work in this area.

Bank of England, 1 November 2013
<http://www.bankofengland.co.uk/publications/Pages/news/2013/127.aspx>

76. **RBS bad bank review published**
The government has published its review entitled, "RBS and the case for a bad bank: the Government's Review". RBS has also published its latest set of results in which it sets out a new direction that will lead it to being a boost to the British economy instead of a burden.

HM Treasury, 1 November 2013
<https://www.gov.uk/government/news/rbs-bad-bank-review-published>

77. **Central banks announce standing swap arrangements**
The Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, the Federal Reserve, and the Swiss National Bank have announced that their existing temporary bilateral liquidity swap arrangements are being converted to standing arrangements, that is, arrangements that will remain in place until further notice.

Bank of England, 31 October 2013
<http://www.bankofengland.co.uk/publications/Pages/news/2013/125.aspx>

78. **Group founded to boost London's growing Islamic finance market**
The government has announced the latest part of its plan to make Britain one of the world's leading Islamic finance centres. Building on the Prime Minister's announcement that Britain would become the first non-Muslim country to issue an Islamic bond, the Financial Secretary to the Treasury, Sajid Javid unveiled the Islamic Finance and Investment Group at the World Islamic Economic Forum in London.

HM Treasury, 30 October 2013
<https://www.gov.uk/government/news/group-founded-to-boost-londons-growing-islamic-finance-market>

79. **EBA publishes risk dashboard of EU banking sector**
The EBA has published its first risk dashboard which summarises the main risks and vulnerabilities in the banking sector in the EU. The dashboard looks at the evolution of key risk indicators from 56 banks across the EU and notes significant improvements, particularly in terms of strengthened capital base.

European Banking Authority, 29 October 2013
<http://www.eba.europa.eu/-/eba-publishes-risk-dashboard-of-eu-banking-sector>
<http://www.eba.europa.eu/documents/10180/15959/EBA+Risk+Dashboard+-+Q3+2013.pdf>

80. **Consultation Paper: Draft Recommendation on the use of Legal Entity Identifier (LEI)**
An EBA consultation seeks views on a recommendation on the use of the Legal Entity Identifier. It will require all entities for which information is required under EU reporting obligations to obtain a pre-Legal Entity Identifier

code for reporting purposes. Comments by
November 28, 2013.

European Banking Authority, 28 October 2013
[http://www.eba.europa.eu/documents/10180/462920/
EBA+CP+2013+42+%
28CP+on+draft+Recommendation+on+the+use+of+LEI
%29.pdf](http://www.eba.europa.eu/documents/10180/462920/EBA+CP+2013+42+%28CP+on+draft+Recommendation+on+the+use+of+LEI+%29.pdf)

81. **Developments in the Bank's approach to liquidity insurance**

The Bank of England has announced changes to its approach to providing liquidity insurance to the banking system.

Bank of England, 24 October 2013
[http://www.bankofengland.co.uk/publications/Pages/
news/2013/124.aspx](http://www.bankofengland.co.uk/publications/Pages/news/2013/124.aspx)

82. **89,000 current account switches during first month of new service**

The Payments Council has confirmed that since the launch of the new Current Account Switch Service on 16 September, 89,000 switches have been successfully completed. It also confirmed that the central account switching system is operating well, as is the redirection service.

Payments Council, 22 October 2013
[http://www.paymentscouncil.org.uk/media_centre/
press_releases/-/page/2711/](http://www.paymentscouncil.org.uk/media_centre/press_releases/-/page/2711/)

83. **New BBA report - Beyond Boundaries: how to drive regulatory coherence**

The BBA has published a new report which calls for a more coordinated global system of regulation for the banking industry.

BBA, 17 October 2013
[http://www.bba.org.uk/media/article/new-bba-report-
beyond-boundaries-how-to-drive-regulatory-coherence/
press-releases/](http://www.bba.org.uk/media/article/new-bba-report-beyond-boundaries-how-to-drive-regulatory-coherence/press-releases/)

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