

# Newsletter

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## LIBOR

On Friday 30 May the Foreign Exchange and Money Markets Committee held its annual meeting at the BBA to review the membership of the BBA LIBOR contributor panels and to confirm the fixing process. The annual meeting had been brought forward by a month following the recent stress in the markets: the review usually takes place in late June.

BBA LIBOR has been the subject of unhelpful media speculation in recent weeks, following reports of anomalous movements particularly in the US dollar benchmarks. Any volatility in BBA LIBOR benchmarks has been due largely to the drying up of liquidity in the money markets in recent months: this was therefore one of the key subjects for discussion at the meeting.

The meeting determined that there should be no changes to the contributor panels, as the review of activity in the money markets indicated that the panels still reflect the most active, most highly rated banks, but added the committee would be strengthening the oversight of BBA LIBOR and that the details of this would be published in due course.

You can view the press release here: <http://www.bba.org.uk/bba/jsp/polo/poly.jsp?d=145&a=13777&artpage=all>.

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## The Capital Requirements Directive

The European Commission has released the proposed draft amendments to the Capital Requirements Directive.

The draft amendments cover a number of different areas, including:

- Supervisory colleges
- Hybrid capital instruments
- Large exposure
- Technical amendments

Following the release of the Basel Committee for Banking Supervision (BCBS) work on liquidity, expected in early July, it is probable that further amendments will be proposed to implement any necessary changes to liquidity regulation in the EU.

Significantly and helpfully the role of colleges will be recognised – an outcome for which the BBA has been lobbying for sometime. Colleges, which will be set up for every cross border bank, are likely to have a role in determining:

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# BBA's Response to the Retail Distribution Review (RDR) Internal Report

The BBA, supported by strong Member representation, met with the FSA's RDR team recently to discuss the difficult issues facing the industry following the FSA's RDR Interim Report. The meeting provided an opportunity for FSA to explain its thinking behind the proposals contained within the Interim Report, especially the 'simplified landscape' which sees a distinct separation of 'advice' and 'sales' and threatens the bancassurance model. FSA challenged the industry to feedback on the potential impact of its proposals on existing business models and to identify alternative solutions which would deliver FSA's RDR objectives. FSA made clear that it is essential to avoid recreating the status quo and agreed to ongoing dialogue with the industry between now and a planned RDR Feedback Statement in October.

BBA is in the process of establishing a Bancassurance Steering Group to respond to the challenges set down by the FSA.

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*Continued from front page*

- Pillar 2 - a major win for industry reflecting the way internationally active banks manage themselves
- Intra-group exposures
- Reporting requirements
- Pillar 3

Responses are due by June 16th but the BBA, working with other trade associations including the European Banking Federation, plans to submit near final drafts to the relevant Commission officials as they will only have four days to turn round industry responses before putting them to the European Banking Committee (EBC). The EBC is the Level 2 Lamfalussy Committee comprising members from EU finance ministries which advises the Commission on policy issues related to banking activities. In late September finalised amendments will be put to Parliament which is expected to vote on them by April 2009. The FSA is likely to consult on their implementation in the UK in quarter 2 of 2009.

Our response will emphasise that there has been little supporting explanation by the EC of the reasons behind its changes which has hindered our ability to come up with plausible alternatives where its proposed amendments do not work for the industry, as well as the paramount need for parallelism between the work that is being undertaken by the BCBS - for instance on securitisation and liquidity, both in terms of approach and implementation timetable.

Some of the technical concerns that we will emphasise include:

On supervisory arrangements we are very supportive of the proposals in relation to supervisory colleges but will emphasise that they should include all relevant supervisors, not just EU ones and, in the EU context should give the consolidating regulator greater and wider decision making powers - along the lines of those they already have in place in relation to model approval in Article 129.

The hybrid capital proposals have been toned down in comparison to those made by CEBS at the end of 2008 but the Large Exposures (LE) proposals will have significant impacts on the function of the interbank market as the Commission has suggested that the sub 1 year exemption from LE requirements for exposures to other credit institutions. However the LE proposals do helpfully permit the zero weighting for LE purposes of cross border interbank exposures.

The requirements on securitisation - included covertly in the technical amendments (they are anything but technical) which require an originator to hold 15% of the RWA's of the assets securitised and which introduce prescriptive requirements in relation to Significant Risk Transfer are inappropriate and will be re-engineered by the industry to ensure the structure falls outside the scope of the securitisation requirements.

The other technical amendments that have been proposed mainly correct inaccuracies in drafting that occurred when the CRD was being put in place in 2005 and are supported by the industry.

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# BBA Representation Programme

In the last few months, the BBA has been particularly active on a number of fronts. It has recently submitted its response to the HM Treasury Consultation Document on Financial Stability and Depositor Protection. It is expected that the Government will publish a draft Bill towards the end of June/beginning of July with the Bill being published towards the end of the year.

As part of the Treasury Select Committee continuing Inquiry into Financial Stability and Transparency, the BBA provided further written and oral evidence on banking reform, money market operations, and on Northern Rock. The BBA is also submitting written evidence to the Committee's Inquiry into Offshore Financial Centres.

Looking ahead, the BBA will continue its representational activities on the Dormant Accounts Bill. The Bill has gone through all its stages in the House of Lords and will be considered in the House of Commons shortly.

BBA's recent key meetings have included:

**23 April 2008** Dr Vincent Cable MP, Deputy Leader of the Liberal Democrats and Shadow Chancellor of the Exchequer

**27 May 2008** Scottish Parliamentary Reception hosted by Murdo Fraser MSP

**28 May 2008** John Swinney MSP, Cabinet Secretary for Finance and Sustainable Growth, Scottish Government

**29 May 2008** Kitty Ussher MP, Economic Secretary to the Treasury

**3 June 2008** Sir Brian Bender KCB, Permanent Secretary at the Department for Business, Enterprise and Regulatory Reform

BBA's future key meetings include:

**1 July 2008** Kitty Ussher MP, Economic Secretary to the Treasury

**30 June 2008** Geoffrey Spence, Special Adviser to the Chancellor of the Exchequer

**9 July 2008** Rt Hon Nick Clegg MP, Leader of the Liberal Democrats, and Dr Vincent Cable MP, Deputy Leader and Shadow Chancellor.

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## Hunt Review of the Financial Ombudsman Service

Following the second independent review of the Financial Ombudsman Service (FOS), Lord Hunt published his report in April entitled "Opening up, reaching out and aiming high", aimed at setting "an agenda for accessibility and excellence in the Financial Ombudsman Service". This extremely comprehensive report sets out a total of 73 recommendations, but with some key themes emerging in respect of improving accessibility and transparency, as well as some consideration of matters of governance.

The BBA responded to Lord Hunt's call for evidence, noting that we hoped our comments would help to shape a service fit for the future within a changing environment. The report makes a number of recommendations picking up on themes within our response, but with a strong focus on improvements in accessibility for consumers, particularly those coming within FOS's jurisdiction for the first time as a result of changes to consumer credit legislation. We are pleased to see recommendations that cover a number of our concerns, such as: FOS's portrayal as an independent and impartial adjudicator; strengthening of internal structures for governance and quality control; measures

designed to improve efficiency and consistency; and greater control of the activities of complaints management companies. Although disappointed that BBA's request for some form of independent appeals process has not been taken up at this stage, we recognise that Lord Hunt has attempted to address this situation by recommending improvements to the wider implications process.

We are now keen to take this opportunity to provide the Board of FOS with our thoughts on the recommendations made by Lord Hunt. At first sight the range and volume of recommendations seem to add up to a rather daunting prospect for anyone planning for their implementation; it is also clear that they will come at a cost, which will have to be borne by industry stakeholders. To ensure implementation of relevant recommendations is carried out in a coherent and cost-effective manner we hope that FOS will seek the involvement of industry stakeholders to facilitate this process. BBA will offer its support to this effect.

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# Saving Gateway Consultation

The Government pushes on with its financial inclusion agenda: It will announce a Saving Gateway Bill in the Queen's Speech in November. There is currently an official consultation on the proposed scheme, in which the BBA is actively involved. BBA members have met with Treasury officials before in an informal consultation process to learn more about the proposition. The BBA will send its consultation response by the deadline of 4 June.

The Saving Gateway scheme has been created to help people on benefits and tax credits save. The potential target audience consists of no less than 8 million people. Accounts will provide a financial incentive to save through Government matching the money saved into the account, although it is unlikely to be on a £1 for £1 basis. The Saving Gateway (SG) account is due to be introduced nationally with first accounts being available in 2010.

In its consultation response on behalf of members, the BBA expresses broad support for the aim to develop a savings culture. BBA member banks have been instrumental in a number of financial inclusion projects, such as basic bank accounts, financial education schemes and community finance projects. But too often banks are forced into a position of supporting and funding the Government's social agenda. The letter will therefore urge the Government to simplify the onerous rules for customers and providers of the Saving Gateway. This will influence banks' readiness to act as providers for the scheme.

BBA members are concerned that the Saving Gateway scheme in its proposed form is too complicated. This could compromise the principle that it should be simple and cost-effective for providers to operate. For example, the matching rules are knotty: For every £25 paid in every month, HMRC will pay a match, but if the customer withdraws money, the match will only be paid if the account is refilled with the withdrawn amount later.

These rules would force providers to build complicated systems. The consultation also suggests that accounts be transferable – creating a potentially convoluted data transfer, encompassing all movements on the account.

On behalf of members, the BBA proposes simplifications, such as less complicated matching rules and a smaller number of regulations. For example, the BBA argues that the requirement to pay interest and to send quarterly statements should be removed, leaving these decisions to individual providers.

The target audience will very often be new to the world of saving products. Only with the banking industry's ideas of a simple product, the Government will reach its target to encourage people to save more.

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## TCF Update - FSA Assessment Programme

The FSA TCF Central Team has recently confirmed the following:

1. March deadline assessment feedback letters will be issued on the same basis as standard ARROW letters, i.e. banks will be given an opportunity to challenge perceived factual inaccuracies.
2. The feedback should include any TCF risks that the FSA has identified and not just opine on the TCF MI in place. The feedback should not however be deemed exhaustive on TCF risks as the assessment examined a narrower scope than a full ARROW. So silence on the FSA's part (on certain unidentified TCF risks) should not be interpreted as a clean bill of health which can be referenced if TCF risks subsequently come to light.
3. The December deadline assessment programme will be finalised once the current March deadline assessment work has been completed and analysed i.e. post June. The FSA could use some of the predictive analysis on a bank's likely delivery against the December deadline, from work already undertaken, to inform this programme, but will take into account concerns they are receiving from industry on the robustness of this predictive approach.

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# FSA Issues Discussion Paper 08/3 – Transparency as a Regulatory Tool

The paper seeks to open a debate on what information the FSA should and should not disclose given the regulator's obligations and constraints under FSMA. This follows what FSA sees as increasing pressure for regulators generally to be more transparent in light of FOIA, the Better Regulation agenda etc.

The paper focuses on areas where the FSA believes it has discretion to publish more information. The FSA has produced a draft 'Code of Practice on Regulatory Transparency' which states a presumption in favour of using transparency as a regulatory tool to help meet its objectives.

A number of examples are presented to demonstrate how this code might work in practice and the types of information which might be subject to greater FSA disclosure.

These examples include:

- Firm specific complaints data
- Financial promotions
- Use of Own Initiative Variation Of Permission powers
- TCF
- Benchmarking data

FSA's high level analysis shows that the benefits and costs arising from transparency depend significantly on what is being disclosed.

The DP is relevant to all FSA authorised institutions.

Whilst there is an emphasis on retail issues in the DP the FSA acknowledges the advantages of using transparency to improve wholesale markets too.

BBA and members of the Supervisory Compliance Advisory Panel expressed high level concerns to FSA at a recent meeting which discussed a briefing on the DP. Key issues include:

- Increased transparency should not be a substitute for effective supervision
- Enforcement due process should not be bypassed
- Misinterpretation/misuse of information by the media; consumers and other stakeholders could render increased transparency as counter-productive



- Risk that the supervisory relationship between banks and FSA could be undermined, leading to a more litigious approach
- The FSA's intention not to 'name and shame' firms risks being undermined through plans to publish some firm specific data
- Inconsistent application of transparency as a regulatory tool between international regulators could lead to an uneven competitive landscape
- Concerns on the forward consultation process as FSA does not envisage a CP to follow this DP but for individual strands to be consulted on a piecemeal basis if necessary.

The BBA is in close contact with the FSA on this issue and will be seeking further meetings with FSA to which members will be invited.

A written response will be sent by the August 29th deadline.

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# Guest Article: Striking the Right Balance Between Profitable Growth and Fraud Risk Management

by **Masoud Zabeti** & **Claire Broadbelt** of **Mishcon de Reya Solicitors**

The challenging economic environment and the increasingly tough stance adopted by the regulators make this an important time for banks to review their approach to fraud risk management. The recently published final report by Société Générale into the substantial losses caused by trader Jérôme Kerviel highlights how getting the basics wrong can expose banks to serious risk – financial and reputational.

To properly address the growing risk of fraud, banks must ensure regular review of, and investment in, fraud management procedures and technology. Greater awareness is required to achieve an integrated approach to fraud management, which should focus on prevention, detection and investigation. Collection of accurate fraud data is also essential if deficient internal controls are to be identified and investment is to be made in systems that aid early detection of fraud. As with most plans, however, fraud management procedures can only be effective when properly implemented and their effectiveness regularly reviewed.

In the event that fraud is detected, time is of the essence and the banks' fraud response plan should be utilised. To investigate and deal with a fraud while minimising the financial and reputational fall out, senior management must be fully aware of the entire range of tools at their disposal. This article therefore deals in summary with the investigation of fraud and seeking the assistance of civil courts in responding to fraud.

## **Investigation – Gathering Evidence**

The law, shareholders, customers, regulators and insurer expectations increasingly call for the investigation of fraud and recovery of losses where possible. The expectation is the same whether the underlying fraud relates to asset misappropriation, corruption, embezzlement or the theft of confidential information.

The first hours of an investigation are critical and therefore knowing how to proceed from the outset can mean the difference between a successful and a disastrous investigation. A fraud response plan identifying key internal individuals responsible for investigating suspected fraud is invaluable. Senior management, external lawyers, external investigators, forensic accountants, IT experts, human resources and public relations departments might need to be involved.

Securing crucial evidence should be a priority. The most obvious initial source can be found internally

(including an employee's personal data) which employers can access during the course of an investigation to prevent and/or detect crime. Staff emails are often a fruitful source of information which can be accessed and reviewed provided that the bank owns the computers in question and has taken reasonable steps to make staff aware that their emails and computer use may be monitored (usually by its email policy, office manual or employment contracts). Deletion of data will not present a solution for the fraudster, as deleted data can usually be recovered.

Call logs for employees' telephones, including mobiles, can be checked. In some circumstances it may be appropriate to monitor a suspect's emails or even telephone calls.

Throughout the investigation it is essential that all evidence is gathered lawfully to avoid the evidence being challenged, not to mention the risk of criminal liability and reputational damage. Involvement of in-house or external legal advisers from the outset can assist by preserving privilege in documents created during the course of the investigation.

Interviews are another important source of evidence. However, prior to conducting any interviews, those leading the investigation need to consider who to interview, how to conduct the interview and most importantly the timing of such interviews, especially as it might initially be important to avoid tipping off the suspected fraudster.

Whether, and if so, at what stage to involve the police is another issue that requires careful consideration. The advantages must be weighed up against loss of control of the investigation and its outcome. The answers to these questions will therefore depend on the bank's end game and it is for this reason that a carefully considered strategy is essential. Asset investigations into the suspected fraudster are important in deciding this strategy.

## **Seeking assistance from the Courts**

The English Courts will assist victims of fraud, provided they have satisfied a number of evidential tests, by granting a wide range of intrusive orders against individuals suspected of fraud before proceedings have been issued. The Courts take a particularly dim view of individuals who have abused their position to make an unlawful gain.

The purpose of these orders is to secure and preserve assets, information and documentation before the suspected fraudster has an opportunity to dissipate assets or destroy evidence. Such orders are commonly obtained on a "without notice" basis in order to catch the suspected fraudsters "red-handed".

A useful first step is to obtain Disclosure Orders against any third parties who may hold useful information or documentation about the suspect's conduct or assets. Freezing Orders can also be obtained against the suspected fraudster to secure assets. If the suspect has stolen confidential information then the bank can apply for a Delivery Up Order. This compels the suspect to hand back the documentation and any further copies made, to confirm what they have done with the documentation and also prevents them from using the documentation until the matter has been decided by the Court.

Depending upon the nature and seriousness of the suspected wrongdoing it may be appropriate to apply for a Search Order which permits the bank's search team, led by its external lawyers, to enter and search certain premises (most often the suspect's home or office) and seize any relevant evidence. The Order will typically allow for an expert to take an "image" of any electronic data storage device, such as computers, PDAs and mobile telephones which can then be inspected at a later date. Failure to comply with the terms of the Order will represent contempt of Court.

The orders referred to above can be obtained with gagging provisions to prevent the recipient from discussing them (for a period of time specified in the Order) with anyone other than their legal advisers.

The first the suspected fraudster might therefore know about the orders is when he or she receives a knock on the door in the early hours of the morning. In catching the wrongdoer "red handed" and preserving damning evidence, the bank should be in a much stronger position to secure an early settlement on favourable terms with confidentiality provisions, if necessary.

### Conclusion

Beyond the immediate financial losses, fraud represents a serious reputational risk to banks and the financial services industry. Commercial concerns about putting in place adequate anti-fraud measures must therefore be balanced against the need to maintain confidence. The key to an effective response to fraud and therefore maintenance of confidence is effective fraud risk management, which includes an organised and immediate response to fraud. By utilising the range of tools at their disposal, senior management can adopt a strategy that presents a robust response to fraud and will act as a significant deterrent, but will at the same time result in the recovery of misappropriated assets and/or stolen confidential information.

*The information and expressions of opinion this article contains are not intended to be a comprehensive study and should not be treated as a substitute for specific advice concerning individual situations.*

## Judge Grants the Banks Permission to Appeal

On Thursday 22 May the case management conference (CMC) on bank fees for unarranged overdrafts was held at the High Court in the Royal Courts of Justice. The Judge, Mr Justice Andrew Smith, set out the next stages in the test case and granted the banks permission to appeal against the ruling in April that the terms are assessable for fairness. During the CMC, Mr Justice Smith expressed his discontent at the Office of Fair Trading's (OFT) initial statement that it had no idea when its investigation would be completed. The OFT later disclosed it would share its initial findings with the banks in mid- to late July. The banks

said they will work closely with the courts and with the OFT to bring this to a conclusion as quickly as possible.

The BBA issued a statement after the ruling:

"The April judgment decided that the bank's current terms and conditions that relate to these fees are not 'penalty charges', that these terms are in "plain and intelligible" language, or substantially so, and that unarranged overdrafts are part of the essential services banks provide to their personal account holders.

"The court also considered the terms could be assessed for fairness under

the UTCCR regulations but that did not mean that the charges were unfair. The banks are to appeal this part of the judgment as they consider these types of fees are fair and the regulations do not apply to them. However, it is also in the public interest to have full clarity and it is only the Court which can make the final decision on whether the charges are fair.

"We will work closely with the courts and with the OFT to bring this to a conclusion as quickly as possible"

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# BERR Consumer Law Review: Call for Evidence

Much of UK consumer protection legislation is based on EU Directives. As the EU Commission is currently reviewing 8 of these consumer Directives, collectively known as the Consumer Acquis, the UK Government thinks it is timely to review the UK regime. So, in May 2008, BERR launched the Consumer Law Review.



The Review is looking at consumer law which to a large extent applies uniformly throughout the UK, with some variations as a result of devolution and differences in the law in Scotland and Northern Ireland.

The Review will:

- examine the scope for simplification of existing legislation and enhancing flexibility and future-proofing, while maintaining necessary protections,
- explore avenues to simplify and rationalise enforcement, allowing greater targeting of action on higher-risk sectors or business, and
- investigate the options for improving consumer empowerment and redress, including efficacy of consumer information.

Possible areas for simplification include Supply of Goods and Services; Cancellation rights; Weights and Measures; Consumer credit; Product Safety; and Unfair Contract Terms.

The UK Government has already set out its preference for greater simplification and harmonisation through use of a new horizontal instrument on sale and supply of goods and services, together with distance and doorstep selling, rationalisation of cancellation rights, as well as more detailed reforms.

Changes made to the framework of consumer legislation would have implications for 2 key pillars of the

consumer regime: consumer empowerment and redress, and enforcement.

The Review will be looking at the body of legislation, redress and enforcement arrangements that underpin the core principles of protecting business to consumer transactions:

- commercial practices;
- contract fairness;
- product and service quality;
- accurate measurement of quantities; and
- product safety.

## It will also be looking into certain specific legislation relating to consumer credit.

It will also be looking into certain specific legislation relating to consumer credit. It does not, however, address legislation governing food, financial products and services (i.e. FSA regulated territory) and utilities.

Areas of potential interest for BBA members are:

- vulnerable consumers,
- information provision,
- principles-based versus prescriptive rules-based regulation,
- consumer credit,
- Alternative Dispute Resolution (ADR) and collective (legal) redress,
- compliance and complaints

BBA is arranging to draw views on the issues raised and responses to the questions by calling on various existing advisory panel expertise. Views are requested by 31 July 2008.

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# Brussels Briefing: Class actions in the EU

The EU Institutions have taken an increasing interest in the topic of collective redress lately. Two Directorate-Generals of the European Commission have undertaken significant work on this topic, and the European Parliament has also entered the debate. Meanwhile, several Member States have introduced national systems for class actions independent of the European debate.



The Directorate-General for Competition (DG COMP) is slightly ahead in its work, having released a White Paper recently, focused on redress after anti-trust judgements. The Directorate-General for Consumer Protection (DG SANCO) has been working in parallel on a much more ambitious general EU mechanism for collective redress (class action). There has also been a bitter debate in the European Parliament in the context of a report on the Commission's consumer strategy for the years 2007 to 2013.

DG COMP launched on 3 April 2008 its White Paper on antitrust collective redress. The White Paper suggests a new model for achieving compensation for consumers and businesses who are the victims of antitrust violations (breaches of EC Treaty rules on restrictive business practices and abuse of dominant market positions). At present, the

Commission says there are serious obstacles in most EU Member States that discourage consumers and businesses from claiming compensation in court in private antitrust damages actions. The White Paper includes suggestions to make damages claims by victims more efficient, whilst ensuring respect for European legal systems and traditions.

Announcing the initiative, EU Competition Commissioner Neelie Kroes said victims have a right to compensation through an effective system whilst avoiding the potential "excesses of the US system". The White Paper makes recommendations on the amount of compensation that should be recognised, the forms of redress, disclosure and evidence of final decisions.

The Directorate-General for Health and Consumer Protection (DG SANCO) indicated in its Communication for an EU Consumer Policy Strategy 2007-2013 that it was considering developing collective redress mechanisms at the EU level. The Commission announced two major studies into the various mechanisms already existing in some Member States and the feasibility of an EU mechanism. These reports are expected towards the summer of 2008.

In February 2008 DG SANCO issued "benchmarks" for how a collective redress mechanism could look like and asked for feedback. The benchmarks were of a very general nature and covered enough areas not to raise fundamental concern among stakeholders. Among the benchmarks were suggestions for minimising unmeritorious claims but also for introducing levels of damages

sufficient to act as a deterrent.

DG SANCO will next publish the studies and consider the feasibility of launching an EU initiative. This decision is expected by the end of 2008.

Furthermore, DG SANCO is in the process of organising expert hearings with 1) consumers, 2) industry and 3) judicial experts on how a collective redress mechanism at the EU level should look like in late May and early June 2008.

The European Parliament debated and voted on a report by Lasse Lehtinen MEP (PES, Finland). The report was voted on 20 May 2008 and contained suggestions for improving cross-border collective redress, including the creation of an EU Ombudsman Service for cross-border cases.

The debate on 19 May 2008 showed a serious split among the European Parliament's political groups on the collective redress issue. The Socialists (PES) would like to call for a legislative initiative while the Conservative Group (EPP-ED) would prefer to wait for impact assessments and feasibility studies before moving ahead in this area.

It remains to be seen where the European Commission is going in this area, but it is certain to remain a keenly contested topic for the remainder of this Barroso Commission and European Parliament.

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# Target 2 Securities

The UK National User Group ("UKNUG") have been actively considering the ECB's draft user requirements consultation document on Target 2 Securities, the ECB's proposed platform for the cross-border and domestic settlement of securities against central bank money. The BBA is acting as secretariat to the Group. At a series of meetings with the ECB's project team and in its formal response, the Group raised key issues for the UK market including economic feasibility, direct connectivity, corporate events, night-time settlement and governance. With the recent publication of the ECB's proposal to central securities depositories (CSDs), the Group is now in the process of reviewing the revised user requirements document and outcome of the economic feasibility study. The ECB's Governing Council is due to decide in July 2008 whether to give the project a greenlight for the next, technical phase.

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# BBA Training News



## **BBA e-learning - Updated courses now available**

In partnership with Absolutely training, the BBA delivers online training on a variety of subjects. The courses cover a wide range of sectors and provide comprehensive and targeted content, designed to ensure that staff have the necessary expertise to minimise risk and demonstrate best practice.

All of the courses are edited by recognised industry professionals, and have been fully updated to reflect recent changes in regulation.

## **Anti-Money Laundering Courses**

BBA Anti-Money Laundering Courses are designed for both staff new to money laundering prevention and for those looking to refresh their existing knowledge. They help equip staff with the necessary skills and competencies needed to ensure that an organisation is operating within regulatory parameters.

The content is reviewed by the draftsman of the JMLSG Guidance and the courses are fully up-to-date with the new 2007 guidance and regulations.

## **Consumer Credit Act Course**

Designed for all levels of staff involved in the sales or administration of CCA regulated credit or hire agreements, this course offers a highly practical introduction for financial services staff to the new Consumer Credit Act 2006. The original Consumer Credit Act was introduced in 1974 to regulate the provision of credit in the UK and to protect the rights of consumers using credit to purchase or hire goods and services. It has now been amended by the Consumer Credit Act 2006. This is the Government's response to a perceived need to update the law to reflect the extensive changes to the consumer credit industry since the original Act was introduced.

## **Banking Code & Business Banking Code Courses**

The Banking Code modules help individuals understand their responsibilities and follow best practice in their customer-facing activities. The Code's key commitments are explored in detail with interactive exercises illustrating and promoting recall of the most significant issues staff will face.

To request a demo of any of the above courses or for more information please visit [www.bbae-learning.com](http://www.bbae-learning.com) or call 0845 130 5138

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# BBA Conferences – Events 2008

## Definition of Capital Seminar

19th June 2008, London

As Basel II becomes business as usual, regulators have turned their attention to the definition of capital – the denominator of the regulatory capital ratio. The Basel committee is planning to take forward its work on capital, perhaps involving a revision of the 1998 Sydney press release; but at the same time the European Commission is planning to define hybrid capital instruments in its forthcoming CRD revisions.

This morning seminar will look at some of the principles the industry should be following in working out what counts as capital and how it should be allocated. Delegates will benefit from an update on the latest thinking from key experts in the industry.

Featuring Contributions From:

- Giuseppe Siani, Banking and Financial Conglomerates Unit, European Commission
- David Hiscock, EMEA Head of Hybrid Securities Structuring, JP Morgan
- Alessandra Mongiardino, VP – Senior Credit Officer and Risk Management Specialist, Moodys KMV
- Simon Hills, Executive Director, British Bankers' Association
- Simon Gleeson, Partner, Clifford Chance LLP

## Consumer Credit Seminar

2nd July 2008, London

With the implementation of the Consumer Credit Act (CCA) 2006 now in its final stages, policy makers, market practitioners and end-users are confronted with sorting out the final requirements by October 2008. To complicate matters further, the European Consumer Credit Directive (CCD) could have an overriding impact on current and future CCA compliance efforts.

This compact half-day seminar will feature presentations from policy makers, practitioners and legal experts that will sum up the policy impact of CCA and CCD as well as provide delegates with expert guidance on compliance in practice.

Featuring contributions from:

- Mike Norris, Director, Department for Business and Enterprise Regulatory Reform
- Donna Pumfrey, Public Policy Executive EMEA, Bank of America
- Paul Stokes, Legal Adviser, HSBC
- Jonathan Bayliss, Partner, Farrer & Co

- Stuart Rodwell, Head of Regulatory Affairs and Solutions, HSBC
- Roger Grazebrook, European Union Adviser, Lloyds TSB

## Clearing & Settlement Seminar

4th July 2008, London

The Code of Conduct for Clearing and Settlement was intended to create a more transparent and efficient post-trading market in the EU. Since it was signed in November 2006 however, there has been little evidence to suggest that these goals have been achieved. Is there a need for a formal legal framework to truly increase competition and lower clearing and settlement cost?

This focused half day seminar brings together the key players in the implementation of the Code to examine its impact on the market to date and explore its implications going forward. Delegates will be able to gain insight into how market participants view, and have responded to, the provisions set out in the Code, and to hear the European Commission's perspective on the success of the Code so far.

Featuring contributions from:

- Sebastijan Hrovatin, Financial Market Infrastructure Unit, European Commission
- Marc Bayle, T2S Programme Manager, European Central Bank
- Natalie Westerbarkey, Vice President, Securities and Fund Services, Citi
- Ruud Sleenhof, Senior Vice President, ABN Amro and Chairman, Dutch Advisory Committee Securities Industry
- Ilse Peeters, Director, Public Affairs, Euroclear S.A.
- Rory Cunningham, Director, Strategy, LCH.Clearnet
- Barney Reynolds, Partner, Shearman & Sterling
- Habib Motani, Partner, Clifford Chance
- Adrian Farnham, Chief Operating Officer, Turquoise

## Stress Testing Seminar

11th July 2008, London

The credit crunch and Northern Rock crisis have provided relevant examples highlighting the importance of stress testing in financial services. But even more than that, the recent events have shown that risk professionals need to take a holistic approach to stress testing and scenario analysis that will account for both market shocks and bank specific events.

This comprehensive morning seminar will highlight the important issues surrounding stress testing in both a regulatory and practical context. With key speakers from the FSA, Citi, Barclays, Heritable Bank and PricewaterhouseCoopers, delegates will be able to identify appropriate scenarios and examine some of the challenges and limitations for stress testing. Featuring contributions from:

- Tom Crossland, Prudential Risk Division, Liquidity and ALM Risk, Financial Services Authority
- Richard Barfield, Director, PricewaterhouseCoopers
- Andrew Jennings, Global Regulatory Liaison for Basel II, Citigroup
- Manuel Boger, Director of Credit and Risk Management, Landsbanki | Heritable Bank
- Daniel Elliott, Senior Manager, Portfolio Analytics & Business Advisory, Royal Bank of Scotland

## Our Confirmed Events in Full:

3 Jun	Fraud Series – Briefing III
5 Jun	JMLSG Guidance in Practice Seminar
10 Jun	International Banking Conference and Dinner
19 Jun	Definition of Capital Seminar
27 Jun	Market Abuse: Enforcement & Plea Bargaining
1 Jul	Fraud Series – Briefing IV
2 Jul	Consumer Credit Seminar
3 Jul	Retail Distribution Review Seminar
4 Jul	Clearing & Settlement Seminar
10 Jul	Staff Fraud Briefing
11 Jul	Stress Testing Seminar
22 Sept	Banking Reform Seminar
29 Sept	Treating Customer Fairly Seminar
30 Sept	Dealing with Debt Seminar
30 Sept	Credit Derivatives Seminar
9 Oct	Business Continuity Management Conference
25 Nov	6th Annual Financial Crime Conference
26 Nov	Conference

For more details on any of our conferences or to make a booking please visit [www.bba.org.uk/conferences](http://www.bba.org.uk/conferences) or contact

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