

April 2009

09 / 13

newsletter

FSA 

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This newsletter provides a summary of CP09/13. Please see the section ‘Who should read this paper?’ to see if CP09/13 is relevant to you.

Financial Services Authority

Strengthening liquidity standards 2:

Liquidity reporting

Why are we issuing the Consultation Paper?

This Consultation Paper (CP) sets out our proposals for a new liquidity reporting regime, which is part of the proposed overhaul of UK liquidity regulation, as set out in last December’s CP08/22: *Strengthening liquidity standards*.

This CP also takes account of comments received in response to the pre-consultation on reporting which was set out in Chapter 8 of CP08/22. Where useful, the relevant comments have been included in this document.

Who should read this paper?

This consultation is relevant to all BIPRU firms and UK branches of EEA and non-EEA banks. However, only full-scope BIPRU firms would need to submit quantitative reports.

What is the background to this?

Given the dynamic and multi-faceted nature of liquidity risk our new regime will require in-scope firms to develop in-depth understanding of their liquidity risks and to manage them closely. This drives our proposals for both the granularity and frequency of firms' reporting to us. While we recognise that our quantitative reporting requirements may be costly to implement for many of the firms that fall within the scope of our Individual Liquidity Adequacy Standards (ILAS) regime, we believe the data requested under the new proposals would normally be required by most firms in undertaking prudent liquidity risk management for their own purposes. Recent experience has demonstrated the need for firms to track and manage their liquidity positions across such dimensions in that kind of detail.

What happens next?

We invite comments on this CP by 15 July 2009.

How can I get the full paper?

You can download the full Consultation Paper from:

www.fsa.gov.uk/pages/Library/Policy/CP/2009/09_13.shtml

Or you can order hard copies of the paper:

Phone our helpline on **0845 608 2372**, quoting reference **CP09/13**

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