
Australia and UK initiatives aim to increase accountability at banking and financial services sectors

The UK's Senior Managers and Certification Regime (SM&CR) is an initiative designed to increase individual accountability and market integrity. The Financial Conduct Authority (FCA) issued a [proposal](#) in July which would extend SM&CR from the banking sector to all financial services firms regulated by the FCA.

The FCA's proposal introduces baseline requirements for every FCA-regulated firm:

- **Conduct Rules:** basic rules applicable to every person working in financial services, including requirements to act with integrity, treat customers fairly and cooperate with regulators
- **Certification Regime:** firms must annually certify the suitability of staff whose work significantly impacts customers or firms
- **Senior Managers Regime:** FCA approval of a firm's accountability and responsibility requirements for its most senior personnel

The consultation period was open until 3 November. PwC UK released a [statement](#) in response to the proposal.

In its 2017-2018 Budget, the Australian government announced [proposed legislation](#) to amend the Banking Act to establish the Banking Executive Accountability Regime (BEAR). The intention of the BEAR is to enhance the responsibility and accountability of banks, their directors and senior executives through enhanced risk management, effective corporate governance and stronger enforcement.

The proposed regime will be administered by the Australian Prudential Regulation Authority (APRA) and will include a number of measures that are similar to the UK's SM&CR.

The consultation period closed in September. For additional information on BEAR from PwC Australia, visit [here](#).