

Ministers to pursue loosening of bank rules in teeth of industry crisis

Ministers are to pursue another step towards loosening the banking reforms introduced after the 2008 financial crisis despite the turmoil which prompted the emergency takeover of Credit Suisse at the weekend.

Sky News has learnt that the Treasury will publish a call for evidence in the coming days about overhauling the Senior Managers and Certification Regime (SMCR) to streamline the process for regulating top industry executives.

Sources said the government would honour a commitment to kicking off the work by the end of the first quarter, with an announcement possible later this week.

It forms part of the 'Edinburgh Reforms' unveiled by Jeremy Hunt, the chancellor, in December, which he said would "help turbocharge growth and deliver a smarter and home-grown regulatory framework for the UK – that is both agile and proportionate".

The SMCR came into effect seven years ago as one of the central tenets in the government's post-crisis reforms to make bankers more accountable for their decisions.

It has, however, drawn persistent criticism from executives because of the length of time it takes to gain regulatory approval and the administrative burden it places on firms.

Andrew Griffith, the City minister, told the Treasury Select Committee in January that the SMCR would not be abolished and the review would aim to deliver the regime's core objectives more effectively.

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One industry figure said the certification element of the SMCR could be aided by restricting it to executives at systemically important lenders, such as Barclays, HSBC and Lloyds Banking Group.

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The call for evidence will come as the banking sector is gripped by its biggest crisis since 2008, with Credit Suisse's £2.6bn rescue by UBS sending shockwaves through global financial markets.

The Treasury declined to comment on Monday.