



Ruleguard

The PRA is sharpening its focus for 2026. Are you ready?

From governance and risk management to operational resilience, data integrity, and AI oversight, UK financial services firms are expected to evidence control, not just intent.

This PRA 2026 Regulatory Readiness Checklist distils the regulator's priorities into one practical page, helping you quickly assess where you stand, what needs attention, and what supervisors will expect to see.



Ruleguard's 2026 Regulatory Readiness Checklist

UK Financial Services Firms (Banks, Building Societies, Asset & Wealth Managers, Investment Firms, Brokers, Fintechs)

1 Governance, Risk & Controls

(All firms – core PRA focus)

- Refresh Board and Executive top risks for 2026, including interconnections across risk types
- Update risk appetite, limits, and escalation thresholds for emerging strategic, credit, and market risks
- Execute a risk-based control testing plan, including stressed and forward-looking scenarios
- Enhance Board MI with leading indicators, early warning triggers, and limit breaches

Where material market or counterparty exposure exists:

- Demonstrate end-to-end counterparty risk aggregation
- Review non-bank financial institutions (NBFI) and private market exposures, including concentration, wrong-way risk, margining, and liquidity risk

2 Model Risk & AI Governance

(All firms using models, analytics, or AI)

- Confirm model risk management (MRM) is operating effectively (inventory, validation, performance monitoring, limits)
- Complete AI risk assessments for each material use case, covering:
 - Data quality and bias
 - Cyber and third-party concentration risk
 - New or amplified operational risks
- Evidence clear accountability and governance for AI-enabled decision-making

3 Operational Resilience, Cyber & Third Parties

(All firms – PRA priority area)

- Test Important Business Services against severe but plausible disruption scenarios
- Embed operational resilience impact assessments into major change and transformation initiatives
- Demonstrate cyber capability to detect → respond → recover within defined tolerances
- Leverage sector-wide tools where relevant (e.g. CBEST, STAR-FS, industry stress testing)
- Map third-party and sub-outsourcing dependencies, including concentration and systemic risk
- Maintain and test exit and stressed-exit plans, do not rely solely on vendor assurances

4 Financial Resilience & Stress Testing

(All firms – depth varies by regime)

- Integrate capital and liquidity stress testing into strategy, planning, and risk appetite
- Use stress testing to inform management actions and business decisions

Bank / capital-regime specific:

- Prepare for Basel 3.1 implementation (effective 1 January 2027)

- Assess Strong & Simple (SDDT) readiness where applicable

- Plan for Pillar 2 rebasing (submission by 31 March 2026)

- Ensure ICAAPs reflect Basel 3.1 and SDDT impacts during 2026

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Data Risk, Quality & Reporting Integrity

(All firms – explicit PRA focus)

- Identify critical data risks that could undermine decision-making or regulatory outcomes
- Map data flows from source systems to regulatory and management reporting
- Document data lineage, controls, ownership, and auditability end-to-end
- Benchmark against relevant standards (e.g. BCBS 239)
- Maintain a multi-year data improvement plan with clear governance and accountability

6

Innovation, Digital Assets & Safe Growth

(Scope varies by business model)

- Evidence innovation governance that protects safety and soundness
- Assess digital assets, tokenisation, or digital ledger technology (DLT) use
- Demonstrate growth within risk appetite, supported by data, controls, and oversight

7

Supervisory Engagement & Regulatory Hygiene

(All firms)

- Monitor business operations and engage supervisors early to anticipate changes to permissions, variations, and applications
- Plan Senior Manager and key function approvals with realistic timelines
- Prepare for supervisory process changes, including PRA's new two-year Periodic Summary Meetings (PSM), starting 1 March 2026

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Ready-to-Show® Evidence Pack

(Keep lightweight, current, and accessible)

- Board and ExCo papers (top risks, risk appetite, KPIs, decisions)
- Operational resilience testing results and remediation tracking
- Cyber metrics, scenario testing, and third-party assurance outcomes
- Third-party inventory, concentration analysis, and exit plans
- Data lineage maps, controls, and data quality MI
- Model and AI inventory, governance, validation, and monitoring
- (Banks) Basel 3.1 / Strong & Simple delivery plan and Pillar 2 readiness

Are you 2026 ready?

Get ahead of PRA expectations with a structured self assessment checklist.

Evaluate your readiness. Identify gaps early and focus your efforts on the areas supervisors are most likely to scrutinise. Let Ruleguard turn your insights into actions supported by automated controls, tracking, and evidence management.

Book a discovery call →

Start your PRA 2026 readiness assessment with Ruleguard

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