**Prudential Regulation Authority**

# **Solvency II**

# **Classification of own funds permissions**

In accordance with 3.4(2) of the Own Funds part of the PRA Rulebook, a firm may apply to the PRA for a classification of own funds permission to be granted pursuant to section 138BA of FSMA 2000. This permission allows a firm to include in its Tier 1 own funds, Tier 2 own funds or Tier 3 own funds (as the case may be) an own funds item that is not included in the own funds lists set out in Own Funds 3A, 3D, 3F, 3H or 3J.



Firms wishing to apply for a classification of own funds permission should submit a [**section 138BA rule permission application form**](https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/authorisations/solvency-ii-approvals/s138ba-rule-permission-application-form.doc)available on the [insurance](https://www.bankofengland.co.uk/prudential-regulation/authorisations/solvency-ii-approvals) rule permissions and notifications page together with the cover letter and supporting evidence as indicated in chapter 4 of Statement of Policy (SoP) - Solvency II: The PRA’s approach to insurance own funds permissions[[1]](#footnote-1) to [PRA-Waivers@bankofengland.co.uk](mailto:PRA-Waivers@bankofengland.co.uk), and the firm’s usual supervisory contact. Firms should refer to chapter 1 and 4 of this SoP in full prior to application.

November 2024

1. [Solvency II: The PRA’s approach to insurance own funds permissions | Bank of England](https://www.bankofengland.co.uk/prudential-regulation/publication/2024/november/solvency-ii-approach-to-insurance-own-funds-permission-sop) [↑](#footnote-ref-1)