



**Bank of England PRA**

## Application for Authorisation

### UK Insurance Special Purpose Vehicle (UK ISPV) Accelerated Pathway Application Form

**Please read the annex to the application form before completing the application form.**

Full name of applicant	
Name of proposed UK ISPV	

Draft for consultation

# 1 Core Details

We need to know this information to contact the relevant individuals during our assessment, to enable efficient processing of the application and to update the Financial Services Register, the public record of authorised firms, upon approval.

## Applicant

### 1.1 Is the applicant acting on behalf of the proposed UK ISPV?

No

Yes ▶ Please provide details of the connection the applicant has to the proposed UK ISPV, and the reason the proposed UK ISPV cannot execute the application on its own behalf.

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### 1.2 Principal place of business of applicant.

Principal place of business address	
Contact number	
E-mail address	

## Contact for this application

### 1.3 Contact details of the person we will contact about this application.

This must be someone who works for the applicant, and not a professional adviser.

Title	
First name(s)	
Surname	
Job title	
Principal place of business address	
Contact number	
E-mail address	
Connection to the proposed UK ISPV	

## Details of professional advisers

### 1.4 Has a professional adviser been used to help with this application?

No ▶ Continue to 1.7

Yes

**1.5 Name and contact details of professional adviser.**

Firm name	
Title	
First name(s)	
Surname	
Job title	
Principal place of business address	
Contact number	
E-mail address	

**1.6 Shall we copy all correspondence to the professional adviser?**

- No  
 Yes

**Timings for this application****1.7 Does the applicant have a target date for authorisation to be considered (dd/mm/yy)?**

We cannot guarantee to authorise an application by a specific date, but we will try to take into account any timings when assessing the application.

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**Legal status of the proposed UK ISPV****1.8 Principal place of business of the proposed UK ISPV.**

Principal place of business address	
Contact number	
E-mail address	

**1.9 Please provide the Certification of Incorporation, Memorandum of Association, Articles of Association and the registered company number on the Companies House register.**

- Certificate of Incorporation attached    Memorandum of Association attached  
 Articles of Association attached

Companies House number:

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where any of the above are not available provide details below.

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**1.10 You must confirm that all details given above match Companies House records.**

- Yes  
 No ▶ Please provide details below

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**1.11 Is the applicant Firm a body corporate?**

Yes  No ▶ Please provide details below

**History of applicant****1.12 Has the applicant ever submitted and had approved a similar application, to the extent the proposed cedant is the same, *and* the information included in the application form and its supporting transaction documents are substantially the same?**

No

Yes ▶ Please provide details below, including a summary of how the applications are the same and how they differ

**1.13 Has the applicant ever been refused or had revoked – any licence, membership, authorisation, registration, or other permission granted by a financial services regulator or government body in the United Kingdom or overseas?**

Yes

No ▶ Please provide details below

**1.14 Has the applicant ever, after having made an application to a regulatory body for any of the items below, and decided not to proceed with it?**

- A licence
- Authorization
- Registration
- Notification
- Membership
- other permission granted by a regulatory body
- No
- Yes ▶ Please provide details below

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### 1.15 Details of risks to be assumed by the UK ISPV

UK ISPV UK ISPV Insurance undertaking who is transferring risk		
Line of Business		
Type of cover		
Cover Period		
Region		
	Yes	No
Is there any material residual risk, including basis risk?		
If 'Yes' please provide details		
Are any hedging instruments used, such as interest rate swaps or currency contracts?		
If 'Yes' please provide details		
Are there any off-balance sheet commitments to support the UK ISPV, e.g., guarantees or any other form of credit risk mitigation sold to or otherwise provided to the UK ISPV?		
If 'Yes' please provide details		

### Communication with the supervisory authority of the cedant

**1.16 Where possible, if the proposed cedant(s) of the UK ISPV will not be domiciled in the UK, provide details of the relevant contact at the supervisory authority responsible for the cedant(s), and a copy of any correspondence that notifies the supervisory authority of the cedant(s) concerning the intention to transfer risk to the UK ISPV.**

Title	
First name(s)	
Surname	
Job title	
Business address	
Contact number	
E-mail address	

## 2 Eligibility criteria and key contract terms and conditions

In order to qualify for the accelerated pathway, UK ISPVs are required to meet certain eligibility criteria. In addition, UK ISPVs need to meet some general conditions and mandatory contract conditions related to fully funded, effective risk transfer and subordination of providers of debt or finance (i.e., investor), in particular. In addition, its investment strategy must be in line with the requirements in the PRA rulebook. Details of any supporting documentation must be provided in the cross reference and should cover all aspects required to meet the relevant conditions, such as oversight, MI, risk management process, etc

	Yes	No	Documentary support, if any (cross refer to relevant clause and page number as appropriate)	Comments
<b>2.1 Eligibility Requirements</b>				
Is the risk being transferred non-life insurance limited to a maximum 7-year loss development period?				
Is there a clearly defined insurance loss trigger, as per market standards, which makes it clear when a loss has occurred?				
Does the funding for securities arise from a syndicated placement marketed via one or more investment banks or broker dealers to a range of Qualified Investors, with the investment bank or broker dealer underwriting the issuance on a best-efforts basis?				
Is the funding for the UK ISPV's obligations from assuming insurance risk from a cedant obtained from debt securities ('notes', and not equities)?				
Has a legal opinion been prepared for the UK ISPV and other relevant stakeholders to the effect that (i) the transaction documents conform in all material respects to their description in the offering circular; and (ii) also addresses the enforceability of certain transaction documents that are core to the cat bond structure?				
Has the legal opinion been shared with us as part of the application documentation?				
<b>2.2 Transaction Features</b>				
Are the proceeds received from the sale of debt securities placed in a collateral trust with a legally enforceable security interest in those assets?				
Is there a clearly defined priority of payment under an indenture and a deed of charge (or similar arrangements) where any claims of the cedant and other				

secured creditors precede any re-payments to Noteholders?					
Is the UK ISPV not a cell of a PCC?					
Is the UK ISPV held under an orphan structure?					
<b>2.3 General Conditions</b>					
Are the general conditions set out in 2A.1 fulfilled by the transaction?					
Rule 2A.1(1) (assumes risk through reinsurance contracts or similar arrangements)					
Rule 2A.1(2) (UK ISPV's solvency <b>not</b> adversely affected by winding up proceedings of any undertaking it assumes risk from)					
Rule 2A.1(3) (criteria on shareholders with qualifying holding)					
<b>2.4 Contractual Arrangements</b>					
Do the contractual arrangements relating to the proposed transaction fulfil the following requirements of the UK ISPV chapter of the rule book?					
Rule 2.2 to 2.5 (fully funded)					
Rule 2.B2 (effective risk transfer which is enforceable in all relevant jurisdictions, clearly defined and incontrovertible)					
Rule 2.B4 (subordination)					
Rule 2.6 (investments by the UK ISPV)					
<b>2.5 Governance and Risk Management</b>					
Does the UK ISPV's structure of governance and risk management fulfil the following requirements of the UK ISPV chapter of the rule book and does it meet the requirements of the FCA Handbook, the principles for business and <a href="#">SYSC Senior Management Arrangements, Systems and Controls</a> ?					
Chapter 2C for fit and proper conditions; including submitting the necessary forms for SMF1(ISPV) and SMF (16) and SYSC					
Chapter 2D for system of governance and management and SYSC					
5A for supervisory reporting					
Have the necessary SMF forms been submitted?					
SMF 1(ISPV)					
SMF 3 (if relevant)					
<b>2.6 Other requirements</b>					

Does the UK ISPV satisfy all other requirements, whether in the rulebook or otherwise?					
Have the relevant Threshold conditions as amended for UK ISPVs been met?					
Has the standardized Scope of Permissions been used? If not, please explain why.					
Have the requirements in SYSC 13.9 of the FCA Handbook (if IT systems are outsourced) been met?					
Is the firm using existing IT systems / infrastructure with appropriate business continuity and the disaster recovery plans?					
Has a written outsourcing policy and details of all key outsourcing or sub-contracting arrangements been provided?					

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### 3 Required contractual terms and conditions

Section 5 sets out a detailed list of documents to be submitted as part of the application process and will be reflected in the Scope of Permission. Certain submitted documents need to have the following clauses as set out below. Please refer to the relevant clause and/or page in the relevant submitted document where this is contained.

Clause	Reference/ Clause No. / Page No.
a. The Collateral Structure (including release and expenses) – the collateral structure should be set out in the relevant clause(s) of the appropriate Transaction Documents e.g. Custody Agreement, Security Agreement(s) (if applicable), Trust Deed/Deed of Charge (if applicable), Indenture (if applicable)	
b. Risk Limit – the risk limit should be set out in the relevant clause(s) of the appropriate Transaction Documents e.g. Risk Transfer Agreement	
c. Reinsurance/Business covered – the reinsurance/business covered should be defined and set out in the relevant clause(s) of the appropriate Transaction Documents	
d. An explanation of how the UK ISPV shall meet fully funded requirements. The relevant arrangement, including specifying the AMRE, should be defined and set out in the appropriate Transaction Documents	
e. Subordination, Limited Recourse and Non-Petition Provisions – these should be defined and set out in the appropriate Transaction Documents	
f. Settlement – the settlement arrangement should be defined and set out in the relevant clause(s) of the appropriate Transaction Documents	
g. Termination – the termination clause (including early termination clauses) should be set out in the relevant clause(s) of the appropriate Transaction Documents	
h. Term – the scheduled redemption date and [extension period(s)] [extended redemption date(s)] should be set out in the relevant clause(s) of the appropriate “Transaction Documents”;	
i. Payment Priority – the priority of payments should be set out in the relevant clause(s) of the appropriate Transaction Documents	
j. Dispute Resolution – a dispute resolution mechanism should be set out in the relevant clause(s) of the appropriate Transaction Documents	
k. Conditions Precedent to liability – the conditions precedent to liability should be set out in the relevant clause(s) of the appropriate Transaction Documents	
<i>If any of these clauses are not considered relevant as part of this application, the applicant should cross refer to an explanation as to why it is not relevant.</i>	

# 4

## Compliance arrangements

The applicant must have the appropriate compliance arrangements in place.

### Compliance procedures

The applicant is not required to send compliance procedures with this application, but the applicant must be able to produce a copy at any time while the PRA and FCA are assessing the application, or in the future. Details of compliance oversight, controls and resourcing should be submitted along with the application.

The applicant must ensure that it establishes and adopts compliance procedures to comply with the relevant rules in the PRA Rulebook, FCA Handbook and with relevant provisions in legislation (including the RTR) that apply to the type of business it is proposing to carry on. Each compliance procedure should identify and address the applicant's obligations in the PRA Rulebook and FCA Handbook.

#### 4.1 Please confirm the applicant has in place documented compliance procedures that relate specifically to the regulated business for which it is seeking permission.

Yes

Please note that in the absence of existing documented compliance procedures, at the time of application, it might not be possible to approve the application within 10 working days.

### Compliance monitoring programme

#### 4.2 Please confirm the applicant has in place a documented compliance monitoring programme that relates specifically to its compliance procedures manual.

Yes

Please note that in the absence of an existing documented compliance monitoring programme, at the time of application, it might not be possible to approve the application within 10 working days.

### Other information relevant to this application

#### 4.3 Is there any other information which the applicant believes may be relevant to our assessment of this application?

### Financial crime

#### 4.4 UK ISPVs should have appropriate policies and procedures to prevent financial crime. Please describe the steps the applicant has, or will, put in place to counter the risks that might be used by others to further financial crime. This includes any offence involving a) fraud or dishonesty; b) misconduct in, or misuse of information relating to, financial markets; or c) handling the proceeds of crime.

# 5 Documents for this application

Please list which forms and documents are included in the application pack.

## Supporting Documentation

### 5.1 List below all the documents that are being sent with this application.

Document	Yes	No
<p><b>Cover letter/Business Plan</b></p> <p>A brief description of the proposed 'risk transformation transaction' including</p> <ul style="list-style-type: none"> <li>• an organisational chart identifying all the relevant parties involved in the transaction;</li> <li>• details of participants and controllers;</li> <li>• form of collateral/collateral arrangement/structure (with an explanation of how the assets used to meet the AMRE will be held, including, where applicable, details of how these interact with the custody agreement/reinsurance trust agreement, the indenture/trust deed, deed of charge and/or security, and the identity and qualification of the persons who are, or will be, appointed to act as trustee);</li> <li>• details of any ratings on any the Notes to be issued (if applicable); and</li> <li>• details of any conflicts of interest and how they will be managed.</li> </ul>		
<b>Executed copies of following documents</b>		
1. Certificate of Incorporation, Memorandum and Articles of Association		
2. Registered company number on the Companies House register		
3. Service Provider engagement letters (insurance manager, corporate services, account bank agreement, etc -please provide details below)		
4. SMF details and application forms		
<b>Executed or draft copies of following documents</b>		
1. Reinsurance (or Risk transfer) Agreement		
2. The initial purchaser agreement		
3. Trust Deed or Indenture (as appropriate)		
4. Deed of Charge and/or security (as appropriate)		
5. Custody agreement or Reinsurance Trust agreement (as appropriate)		
6. Prospectus or offering circular (as appropriate)		
7. Standardized Scope of Permission (SoP)		
8. The UK ISPV manager agreement		
9. The reset agent agreement (where applicable/indemnity);		
10. The claims reviewer agreement (where applicable/indemnity);		
11. The loss reserve specialist agreement (where applicable/indemnity);		

12. The calculation agent agreement (where applicable/non-indemnity);		
13. Any other service provider agreement (as applicable);		
14. Letter from the UK ISPV manager (or applicant) confirming that the UK ISPV manager has the appropriate UK FCA/PRA authorisation to undertake required activities or that authorisation is not required as the activities are unregulated		
15. Any other documents submitted		

**5.2 Please provide any comments on supporting documents, including relevant cross references, if necessary.**

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# 6 Application fee

The applicant must send a BACS payment or cheque for the appropriate application fee in full with this application, otherwise the application will not be processed.

## Application fee

The application fee for UK ISPVs is £5,000. The full application fee must be paid by BACS payment or cheque. It is not refundable (even if the applicant decides to withdraw its application).

The FCA and PRA charge separate fees, which are combined and submitted to the FCA.

FCA Fees for UK ISPVs fall into category 6 details can be found [here](#).

The PRA fee for UK ISPVs fall into category A3 (section 4.5 Table B – New authorisations refers) , details can be found [here](#).

## How to pay by BACS payment

1. Make the payment to the FCA using the details below:

Account name: FCA Collection account

Bank name: Lloyds Bank

Account number: 00828179

Sort code: 30-00-02

Swift code: LOYD GB 2LCTY

IBAN code: GB68 LOYD 3000 0200 8281 79.

2. Reference the payment with the following: Title: “New authorisation application – [insert ‘Name of the Proposed UK ISPV’].”

3. E-mail the remittance advice and payment details to: [fcafees@fca.org.uk](mailto:fcafees@fca.org.uk) & [PRA-AuthsVoPsCancellations@bankofengland.co.uk](mailto:PRA-AuthsVoPsCancellations@bankofengland.co.uk).

## How to pay by cheque

1. Make the cheque payable to the FCA. We cannot accept post-dated cheques.

2. Write the name of the proposed UK ISPV on the back of the cheque.

3. Write 'Application for authorisation' on the back of the cheque.

4. Send the cheque to the following address:

Authorisations, The Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

- BACS payment – remittance advice and payment details e-mailed as per the instructions above
- Cheque payment – cheque sent to postal address as per the instructions above

# 7 Declaration

## Declaration

It is a criminal offence to knowingly or recklessly submit information that is false, misleading, or deceptive.

If any information is inaccurate or incomplete this application may take longer to be processed.

You must notify us immediately of any significant change to the information provided. If you do not, the application may take longer to be processed. It could also call into question the applicant's suitability and hence the suitability of the proposed UK ISPV to be authorised.

**D1** I am authorised to make this application for authorisation on behalf of the applicant named on the front of this form.

**D2** I attach the documents listed in Section 5.1 and I have taken all reasonable steps to ensure they are correct.

**D3** I confirm that the documents listed in Section 5.1 have been prepared to an appropriate standard and are available for immediate inspection by the regulators.

**D4** I confirm that the information in this application is accurate and complete to the best of my knowledge and belief.

**D5** I authorise the regulators to make such enquiries and to seek such further information as it thinks appropriate to verify the information given on this form.

**D6** I understand that the regulators may require the applicant to provide further information or documents at any time after I have sent this application and before the applicant has been authorised.

## Who must sign the declaration?

This declaration must be signed by the people who are responsible for making this application on behalf of the applicant.

### Signature one

Name	
Position	
Signature	
Date (dd/mm/yy)	

### Signature two


## Annex

### Important information to be read before completing this form

Keep a copy of the forms you complete and the supporting documents that you include with this application pack for your future reference.

The FCA and Bank of England process personal data in line with the requirements of The General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018. For further information about the way we use the personal data collected in this form, please read our privacy notices available on our websites:

- FCA : [www.fca.org.uk/privacym](http://www.fca.org.uk/privacym)
- Bank of England: <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

### **Important information to be read before completing this form**

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it will call into question your suitability to be authorised, and you may be committing a criminal offence and could face prosecution under section 398A of FSMA regardless of the status of your application.**

The accompanying UK ISPV Application Form – Notes document provides further detail on the information requests contained within this UK ISPV Application Form, and should be read prior to completing the UK ISPV Application Form. In addition, it also lists the relevant PRA and FCA guidance and rules which you should read prior to completing this form.

### **Filling in the form**

1. Applicants are required to fill in the requested information by providing references in each of the text boxes provided to where the requested information is located in your supporting documentation (i.e. the sections and page numbers in your supporting documentation that provides evidence the mandatory authorisation conditions are met). Please include in Section 6.1 an index of all supporting documentation submitted, that includes any PRA/FCA forms that are submitted.
2. If you think a part of this form does not apply to you, write 'N/A' in the relevant textbox and explain why.
3. not apply to you, write 'N/A' in the relevant textbox and explain why.
4. If you leave an information request blank, do not sign the declaration or do not attach the required supporting information without telling us why, otherwise this may increase the time taken to assess your application.
5. If you are completing the form by computer, print out the completed form and sign the declaration.
6. If you are filling in the form by hand:
  - use black ink;
  - write clearly; and
  - sign the declaration.
7. Submit an electronic copy of the application pack to the PRA at the following mailbox: [ISPVMailbox@bankofengland.co.uk](mailto:ISPVMailbox@bankofengland.co.uk). The submission should consist of:

- this UK ISPV Application Form (including the declaration form in Section 8);
- the appropriate supporting documents;
- the SMR Application Forms and accompanying documentation;
- the FCA Controlled Function Application Form(s) where applicable;
- the remittance advice and payment details of the application fee (£5,000) if you have paid by BACS payment. Section 7 of this UK ISPV Application Form provides instructions on how to pay, including where you wish to pay by cheque.

8. If the file size exceeds 25MB please use multiple emails to accommodate your submission.

9. If the file size exceeds 25MB please use multiple emails to accommodate your submission.

### **Terms in this form**

In this form we use the following terms:

- 'AMRE' refers to Aggregate Maximum Risk Exposure as defined in the PRA Rulebook Glossary;
- 'applicant' refers to the person or firm applying on behalf of the proposed UK ISPV, where the entity has not been established yet. Where an entity has already been established the applicant may be the entity, or a person or firm applying on its behalf.
- 'cedant' refers to the insurance or reinsurance undertaking which the UK ISPV assumes risk from;
- 'FCA' refers to the Financial Conduct Authority;
- 'FSMA' refers to the Financial Services and Markets Act 2000;
- 'ISPV' refers to a UK ISPV, as per the meaning given in the PRA Rulebook;
- 'Part 4A Permission' refers to the permission granted by the PRA to carry out one or more regulated activities as per section 55F (within Part 4A) of FSMA;
- 'PRA' refers to the Prudential Regulation Authority;
- 'RTR' refers to the Risk Transformation Regulations 2017;
- 'SOP' refers to Scope of Permission;
- 'VOP' refers to Variation of Permission;
- 'we', 'us' or 'our' refers to the appropriate regulator; and
- 'you' refers to the person(s) signing the form on behalf of the applicant.

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