PRA RULEBOOK: TRANSITIONAL MEASURES ON TECHNICAL PROVISIONS AMENDMENT INSTRUMENT [2025]

Powers exercised

A. The Prudential Regulation Authority ("PRA") makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):

(1) section 137G (The PRA's general rules); and
(2) section 137T (General supplementary powers).

B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

PRA Rulebook: Transitional Measures on Technical Provisions Amendment Instrument [2025]

C. The PRA makes the rules in the Annex to this instrument.

Commencement

D. This instrument comes into force on [DATE].

Citation

E. This instrument may be cited as the PRA Rulebook: Transitional Measures on Technical Provisions Amendment Instrument [2025].

By order of the Prudential Regulation Committee
[DATE]

Annex

Amendments to the Transitional Measures on Technical Provisions Part

In this Annex, new text is underlined and deleted text is struck through.

5 TMTP CALCULATION

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5.2 For the purpose of calculating the value of ‘W_r’ referred to in 5.1, a *firm* must, on the same day on which the value of ‘M’ used in the *TMTP method* is updated and following any *transfer event* in accordance with 6.1(3), calculate a new value for ‘W_r’ as follows:

$$\cancel{\frac{(A_7 + B_7 - W_q)}{R(7 - M)} + W_q}$$

$$\underline{\frac{(A_7 + B_7 - W_q)}{(7 - M_q)}(M - M_q) + W_q}$$

where:

A_7 = the projected *risk margin portion* as at 1 January 2032, multiplied by ‘Z_A’;

B_7 = the projected *dynamic portion* as at 1 January 2032, multiplied by ‘Z_B’;

M = the value of ‘M’ in the *TMTP method* for the same reporting period;

M_q = the value of ‘M’ in the *TMTP method*, if any, as at the final day of the previous reporting period; and

W_q = the value of ‘W_r’, if any, as at the final day of the previous reporting period.~~; and~~

~~R =~~

~~(a) if the reporting period is quarterly, 4; or~~

~~(b) if the reporting period is annual, 1.~~

…