

**PRA RULEBOOK: CRR FIRMS: LEVERAGE RATIO AND REPORTING LEVERAGE RATIO  
(AMENDMENT) INSTRUMENT [2017]**

**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 instrument) of the Act.

**Pre-conditions to making**

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

**PRA Rulebook: CRR Firms: Leverage Ratio and Reporting Leverage Ratio (Amendment) Instrument [2017]**

- D. The rules in the Parts of the PRA Rulebook listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Leverage ratio	A
Reporting Leverage ratio	B

**Commencement**

- E. This instrument comes into force on 3 October 2017.

**Citation**

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Leverage Ratio and Reporting Leverage Ratio (Amendment) Instrument 2017.

**By order of the Prudential Regulation Committee**

21 September 2017

## Annex A

## Amendments to the Leverage Ratio Part

In this Annex new text is underlined.

## 1 APPLICATION AND DEFINITIONS

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1.2 In this Part, the following definitions shall apply:

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central bank claims

means the following exposures of a firm to a central bank, provided these are denominated in the national currency of such central bank:

(1) banknotes and coins constituting legal currency in the jurisdiction of the central bank;

(2) reserves held by a firm at the central bank; and

(3) any assets representing debt claims on the central bank with a maturity of no longer than 3 months.

...

total exposure measure

has the meaning given by Article 429(4) of the CRR, as amended by the Commission Delegated Regulation (EU) 2015/62, save that a central bank claim of a firm shall be netted off against a deposit accepted by the firm, provided that:

(1) the central bank claim and deposit are denominated in the same currency; and

(2) where applicable, the date of contractual maturity of the central bank claim is the same as, or is before, the date of contractual maturity of the deposit.

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## 3 MINIMUM LEVERAGE RATIO

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3.1 A firm must hold sufficient tier 1 capital to maintain, at all times, a minimum leverage ratio of 3.25%.

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**Annex B**

**Amendments to the Reporting Leverage Ratio Part**

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

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**3 REPORTING**

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- 3.1 Subject to 4.1, a *firm* must complete the *data item* FSA083 using the template for the *data item* set out ~~here~~ [here](#).