

PRA RULEBOOK: SOLVENCY II FIRMS AND NON SOLVENCY II FIRMS: SENIOR INSURANCE MANAGERS REGIME (AMENDMENT) (NO 3) INSTRUMENT 2018

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 60 (Applications for approval)
 - (2) section 137G (The PRA’s general rules); and
 - (3) 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: Solvency II Firms and Non Solvency II Firms: Senior Insurance Managers Regime (Amendment) (No 3) Instrument 2018

- D. The PRA makes the rules in the Annexes to this instrument.

Part	Annex
Insurance – Fitness and Propriety	A
Insurance – Senior Managers Regime – Applications and Notifications	B
Large Non-Solvency II Firms – Fitness and Propriety	C
Large Non-Solvency II Firms – Senior Managers Regime – Applications and Notifications Part	D
Non-Solvency II Firms – Fitness and Propriety	E
Non-Solvency II Firms – Senior Managers Regime – Applications and Notifications	F
Glossary	G
Glossary	H

Commencement

- E. Annex H comes into force on 1 January 2019.
- F. All other Annexes come into force on 10 December 2018, immediately after the PRA Rulebook: CRR Firms, Non-CRR Firms, Solvency II Firms and Non Solvency II Firms: Senior Managers Regime and Senior Insurance Managers Regime (Amendment) (No 1) Instrument 2018 comes into force.

Citation

- G. This instrument may be cited as the PRA Rulebook: Solvency II Firms and Non Solvency II Firms: Senior Insurance Managers Regime (Amendment) (No 3) Instrument 2018.

By order of the Prudential Regulation Committee

7 November 2018

Annex A

Amendments to the Insurance – Fitness and Propriety Part

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

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

continued approval

has the meaning given in Insurance - Senior Insurance- Managers Regime – Transitional Provisions.

...

Annex B

Amendments to the Insurance - Senior Managers Regime – Applications and Notifications Part

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

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

commencement date

has the meaning given in Insurance - Senior Insurance-~~Insurance~~ Managers Regime – Transitional Provisions.

current approved person approval

means

- (1) an approval granted to a *person* under section 59 of *FSMA* (Approval for particular arrangements):
 - (a) by the *PRA* for the performance of a *PRA senior management function*; or
 - (b) by the *FCA* for the performance of an *FCA-designated senior management function* or a *significant influence function*;

...

2 APPLICATION TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

...

2.3 The *PRA* directs that, subject to 2.4 and 2.5, a *firm* must use Form E for a *PRA senior management approval application* if it is being made in respect of a *person* who has a *current approved person approval* and is either:

- (1) ceasing to perform a *PRA senior management function* and taking up a new *PRA senior management function* for the same *firm* or another member of its *group*; or
- (2) ceasing to perform an *FCA-designated senior management function* or a *significant influence function* and taking up a *PRA senior management function* for the *firm* or another member of its *group*.

...

2.5 The *PRA* directs that a *firm* must not use Form E if the *person* to whom the *PRA senior management approval application* relates:

- (1) has never before been approved:
 - (a) by the *PRA* to perform a *controlled function*; or

(b) by the *FCA* to perform an *FCA-designated senior management function* or a *significant influence function*

for any *firm*;

or

....

Annex C

Amendments to the Large Non-Solvency II Firms – Fitness and Propriety Part

In this Annex deleted text is struck through.

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

continued approval

has the meaning given in Large Non-Solvency II Firms - Senior Insurance-
Managers Regime – Transitional Provisions.

...

Annex D

**Amendments to the Large Non-Solvency II Firms – Senior Managers Regime – Applications
and Notifications Part**

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

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

commencement date

has the meaning given in Large Non-Solvency II Firms - Senior ~~Insurance~~ Managers Regime – Transitional Provisions.

current approved person approval

means

(1) an approval granted to a *person* under section 59 of *FSMA* (Approval for particular arrangements):

(a) by the *PRA* for the performance of a *PRA senior management function*; or

(b) by the *FCA* for the performance of an *FCA-designated senior management function* or a *significant influence function*;

...

2 APPLICATION TO PERFORM A SENIOR MANAGEMENT FUNCTION

...

2.3 The *PRA* directs that, subject to 2.4 and 2.5, a *firm* must use Form E for a *PRA senior management approval application* if it is being made in respect of a *person* who has a *current approved person approval* and is either:

...

(2) ceasing to perform an *FCA-designated senior management function* or a *significant influence function* and taking up a *PRA senior management function* for the *firm* or another member of its *group*.

...

2.5 The *PRA* directs that a *firm* must not use Form E if the *person* to whom the *PRA senior management approval application* relates:

(1) has never before been approved:

(a) by the *PRA* to perform a *controlled function*; or

(b) by the *FCA* to perform an *FCA-designated senior management function* or a *significant influence function*

for any *firm*;

or

....

Annex E

Amendments to the Non-Solvency II Firms – Fitness and Propriety Part

In this Annex deleted text is struck through.

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definition shall apply:

continued approval

has the meaning given in Non-Solvency II Firms - Senior Insurance-Managers Regime
– Transitional Provisions.

...

Annex F

Amendments to the Non-Solvency II Firms –Senior Managers Regime – Applications and Notifications Part

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

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

commencement date

has the meaning given in Non-Solvency II Firms - Senior ~~Insurance~~Managers Regime – Transitional Provisions

current approved person approval

means

(1) an approval granted to a *person* under section 59 of *FSMA* (Approval for particular arrangements):

(a) by the *PRA* for the performance of a *PRA senior management function*; or

(b) by the *FCA* for the performance of an *FCA-designated senior management function* or a *significant influence function*;

...

2 APPLICATION TO PERFORM A SENIOR MANAGEMENT FUNCTION

...

2.3 The *PRA* directs that, subject to 2.4 and 2.5, a *firm* must use Form E for a *PRA senior management approval application* if it is being made in respect of a *person* who has a *current approved person approval* and is either:

(1) ceasing to perform a *PRA senior management function* and taking up a new *PRA senior management function* for the same *firm* or another member of its *group*; or

(2) ceasing to perform an *FCA-designated senior management function* or a *significant influence function* and taking up a *PRA senior management function* for the *firm* or another member of its *group*.

...

2.5 The *PRA* directs that a *firm* must not use Form E if the *person* to whom the *PRA senior management approval application* relates:

(1) has never before been approved:

(a) by the *PRA* to perform a *controlled function*; or

(b) by the *FCA* to perform an *FCA-designated senior management function* or a *significant influence function*

for any *firm*;

or

....

Annex G

Amendments to the Glossary

In the Glossary Part of the PRA Rulebook insert the following new definition:

certification regime

means the requirements of the *regulatory system* which apply to *authorised persons* insofar as they relate to *persons* performing *certification functions* including those set out in Certification, Fitness and Propriety, Insurance – Certification, Insurance – Fitness and Propriety, Large Non-Solvency II Firms – Certification, Large Non-Solvency II Firms – Fitness and Propriety, Non-Solvency II Firms – Certification and Non-Solvency II Firms – Fitness and Propriety and the corresponding *FCA* requirements in SYSC 27 and FIT of the *FCA Handbook*.

Annex H

Amendments to the Glossary

In this Annex deleted text is struck through.

~~*Chair of Audit Committee function*~~

~~has the meaning given in Senior Management Functions 4.4.~~

~~*Chair of Remuneration Committee function*~~

~~has the meaning given in Senior Management Functions 4.5.~~

~~*Chair of Risk Committee function*~~

~~has the meaning given in Senior Management Functions 4.3~~

~~*Chair of the Governing Body function*~~

~~has the meaning given in Senior Management Functions 4.2.~~