

**PRA RULEBOOK: SOLVENCY II FIRMS: MATCHING ADJUSTMENT INVESTMENT
ACCELERATOR 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).

The PRA also makes this instrument in the exercise of its powers under regulation 7 of the Insurance and Reinsurance Undertakings (Prudential Requirements) Regulations 2023 (2023/1347).

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

PRA Rulebook: Solvency II Firms: Matching Adjustment Investment Accelerator Instrument 2025

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

Commencement

- D. This instrument comes into force on 27 October 2025.

Citation

- E. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Matching Adjustment Investment Accelerator Instrument 2025.

By order of the Prudential Regulation Committee

10 October 2025

Annex

Amendments to the Matching Adjustment Part

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

1 APPLICATION AND DEFINITIONS

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1.2 In this Part, the following definitions shall apply:

...

MAIA exposure limit

means any limit that forms part of the firm's MAIA permission, in respect of the inclusion of any new assets in the firm's relevant portfolio of assets.

MAIA permission

means a permission granted by the PRA pursuant to s138BA FSMA to a firm with a matching adjustment permission, to allow the firm to include new assets in its relevant portfolio of assets before the firm has submitted an application to the PRA to vary its matching adjustment permission in order to alter its scope to include such new assets.

MAIA policy

means the written policy referred to in 18.2.

new asset

means, in relation to a firm with a matching adjustment permission, an asset with features that are not within the scope of the firm's matching adjustment permission.

non-qualifying new asset

means a new asset that is not a qualifying new asset.

qualifying new asset

means a new asset that:

- (1) satisfies all applicable matching adjustment eligibility conditions;
- (2) has not previously been included within but subsequently removed from the firm's relevant portfolio of assets; and
- (3) has not previously been included by the firm in an application to the PRA for a matching adjustment permission (or an application to vary a matching adjustment permission) which has been refused by the PRA.

...

13 ON-GOING COMPLIANCE WITH MATCHING ADJUSTMENT ELIGIBILITY CONDITIONS

...

14 ELIGIBILITY TO USE THE MATCHING ADJUSTMENT INVESTMENT ACCELERATOR

14.1 A firm with a matching adjustment permission must not include any new assets in its relevant portfolio of assets unless it has a MAIA permission.

15 USE OF THE MATCHING ADJUSTMENT INVESTMENT ACCELERATOR

- 15.1 This Chapter applies to a *firm* that has been granted both a *matching adjustment permission* and a *MAIA permission*.
- 15.2 A *firm* must not include a *new asset* in its *relevant portfolio of assets* unless it is a *qualifying new asset*.
- 15.3 If a *firm* includes a *non-qualifying new asset* in its *relevant portfolio of assets*, the *firm* must inform the *PRA* and take the necessary measures to remove that asset as soon as possible.
- 15.4 A *firm* must comply with the terms of its *MAIA permission*, including any applicable *MAIA exposure limit*, at all times and (without limiting the generality of 13.2) must ensure that any applicable *exposure limits* are complied with after the inclusion of any *new assets* in its *relevant portfolio of assets*.
- 15.5 If a *firm* breaches any applicable *MAIA exposure limit*, it must inform the *PRA* and take the necessary measures to restore compliance with the *MAIA exposure limit* as soon as possible.

16 REGULARISATION OF MATCHING ADJUSTMENT INVESTMENT ACCELERATOR ASSETS

- 16.1 This Chapter applies to a *firm* that has been granted both a *matching adjustment permission* and a *MAIA permission*.
- 16.2 Before the end of the period of 24 *months*, beginning with the date upon which the *firm* first includes a *new asset* in its *relevant portfolio of assets*, a *firm* must either:
- (1) submit an application to the *PRA* in accordance with 3.1 to vary its *matching adjustment permission* in order to alter its scope to include that *new asset*; or
 - (2) take the necessary measures to remove that *new asset* from its *relevant portfolio of assets* as soon as possible.
- 16.3 If, in relation to a *new asset*, the application referred to in 16.2(1) is:
- (1) refused by the *PRA*; or
 - (2) withdrawn (or, as the case may be, amended to remove that *new asset* from its scope) by the *firm*, before being determined by the *PRA*,
- the *firm* must take the necessary measures to remove that *new asset* from its *relevant portfolio of assets* as soon as possible.
- 16.4 (1) Where a *firm*:
- (a) is required to remove a *new asset* from its *relevant portfolio of assets* in the circumstances referred to in 15.3, 16.2(2) or 16.3 but has failed to do so within two *months*; or
 - (b) fails to comply with any applicable *MAIA exposure limit* and is unable to restore compliance within two *months* of the date of non-compliance,
- the *firm* must comply with 16.4(2).
- (2) Where 16.4(1) applies, the *firm* must immediately:
- (a) inform the *PRA*;
 - (b) continue to take the necessary measures to either (as the case may be) remove the *new asset* from its *relevant portfolio of assets* in order to comply with 15.3, 16.2(2) or 16.3 or restore compliance with any applicable *MAIA exposure limit* as soon as possible; and

- (c) on a *monthly* basis and for the duration of the period of such non-compliance, adjust the *matching adjustment* it applies in respect of the *relevant portfolio of insurance or reinsurance obligations* in accordance with the formula set out in 13.5.

17 MAIA CONTINGENCY PLANS

- 17.1 This Chapter applies to a *firm* that has been granted both a *matching adjustment permission* and a *MAIA permission*.
- 17.2 A *firm* must have, and be able to provide to the *PRA* upon request, an effective written contingency plan in respect of each and every *new asset* in its *relevant portfolio of assets*, which sets out the steps that the *firm* will take in the event the *firm* is required to remove any *new asset* from its *relevant portfolio of assets*, in order to ensure the *firm's* continued compliance with this Part and the terms of its *matching adjustment permission* and *MAIA permission*.
- 17.3 The *firm's* contingency plans as referred to at 17.2 must be:
- (1) kept up-to-date at all times; and
 - (2) implemented by the *firm* in the event that the *firm* is required to remove a *new asset* from its *relevant portfolio of assets*.

18 MAIA POLICY

- 18.1 This Chapter applies to a *firm* that has been granted both a *matching adjustment permission* and a *MAIA permission*.
- 18.2 A *firm* must establish, implement, maintain, and be able to provide to the *PRA* upon request, a written policy to ensure ongoing compliance with Chapters 14 - 17 and 19 of this Part.
- 18.3 A *firm* must set out in its *MAIA policy* how it will review and update the contingency plans referred to in 17.2 in order to ensure compliance with 17.3(1).
- 18.4 A *firm* must ensure that its *governing body* has approved its *MAIA policy*.

19 MAIA USE REPORT

- 19.1 This Chapter applies to a *firm* that has been granted both a *matching adjustment permission* and a *MAIA permission*.
- 19.2 A *firm* must provide to the *PRA* a written report containing the information set out in (1) at the time set out in (2).
- (1) The written report must set out:
 - (a) the types of *new assets* that the *firm* has included in the *relevant portfolio of assets*; and
 - (b) details of how the *firm* has complied with its *MAIA policy*.
 - (2) The written report must be provided to the *PRA* annually, no later than 18 weeks after the *firm's* financial year-end, commencing with its first financial year-end after its *MAIA permission* took effect.