

**PRA RULEBOOK: CRR FIRMS: REGULATORY REPORTING (REPEAL OF PRA RULEBOOK:
CRR FIRMS: REGULATORY REPORTING PRA110 AMENDMENT INSTRUMENT 2018)
INSTRUMENT 2019**

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.

Repeal

- D. The PRA Rulebook: CRR Firms: Regulatory Reporting PRA110 Amendment Instrument 2018 (PRA 2018/3) is repealed and replaced by the PRA Rulebook: CRR Firms: Liquidity Reporting (Amendment) Instrument 2019.

Commencement

- E. This instrument comes into force on 11 January 2019.

Citation

- F. This instrument may be cited as PRA Rulebook: CRR Firms: Regulatory Reporting (Repeal of PRA Rulebook: CRR Firms: Regulatory Reporting PRA110 Amendment Instrument 2018) Instrument 2019.

By order of the Prudential Regulation Committee

18 December 2018

**PRA RULEBOOK: CRR FIRMS: LIQUIDITY REGULATORY REPORTING (AMENDMENT)
INSTRUMENT 2019**

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);
 - (2) section 137T (General supplementary powers); and
 - (3) section 142H (Ring-fencing rules).
- 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: Liquidity Regulatory Reporting (Amendment) Instrument 2019

- D. The PRA makes the rules in Annexes A to D.

Part	Annex
Regulatory Reporting	A
Internal Liquidity Adequacy Assessment	B
Glossary	C
Regulatory Reporting	D

Commencement of this instrument

- E. The rules in Annexes A to C come into force on 1 July 2019.
- F. The rules in Annex D come into force on 1 January 2020.

Citation

- G. This instrument may be cited as PRA Rulebook: CRR Firms: Liquidity Regulatory Reporting (Amendment) Instrument 2019.

By order of the Prudential Regulation Committee

18 December 2018

Annex A

Amendments to the Regulatory Reporting Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

reporting level

means (in relation to a *data item*) the basis on which that *data item* is prepared, ~~being either:~~

(1) an individual basis; or

(2) the basis of a group) and, if it is prepared on the basis of a group, the type of group (such as a *UK DLG by modification*, ~~or a non-UK DLG by modification (firm level)~~ or a domestic liquidity sub-group).

...

7 Regulated Activity Group 1

7.1 The applicable *data items* referred to in the table in 6.1 are set out according to *firm* type in the table below:

RAG 1	Prudential category of <i>firm</i> , applicable <i>data items</i> and reporting format (1)						
	<i>UK bank other than a ring-fenced body</i>	<i>Ring-fenced body</i>	<i>Building society</i>	<i>Non-EEA bank</i>	<i>EEA bank that has permission to accept deposits and that has its registered office (or, if it has no registered office, its head office) outside the EU</i>	[deleted.]	[deleted.]
Description of data item							
...							
Memorandum items	PRA108 (2)	PRA108 ((2),(28))	PRA108 (2)	-	-	-	-
Cash Flow Mismatch	PRA110 (35) (36) (37)	PRA110 (28) (35) (36) (37)	PRA110 (35) (36) (37)	=	PRA110 (35) (36) (37)	=	=
...							

...

- (35) A firm must complete this item separately on each of the following bases that are applicable.
- (a) It must complete it on an individual basis. Therefore even if it has an *individual consolidation permission* it must complete the item on an unconsolidated basis by reference to the *firm* alone.
- (b) If it is part of a *domestic liquidity sub-group*, it must complete the item on the basis of that group and (a) does not apply.
- (c) If it is part of a *sub-consolidation group*, it must complete the item on the basis of that *sub-consolidation group*.
- (d) If it is an *EU parent institution*, it must complete the item on the basis of its *consolidated situation*.
- (e) If it is a *UK bank* or *building society* controlled by an *EU parent financial holding company* or by an *EU parent mixed financial holding company* it must complete the item on the basis of the *consolidated situation* of that holding company if the *PRA* is responsible for supervision of the *firm* on a *consolidated basis* under Article 111 of the *CRD*.
- (f) If it is a *UK designated investment firm* controlled by an *EU parent financial holding company* or by an *EU parent mixed financial holding company* the *firm* must complete the item on the basis of the *consolidated situation* of that holding company if: (1) there is no *subsidiary* of the holding company which is a *credit institution* to which (e) applies; and (2) the *PRA* is responsible for the supervision of the *firm* on a *consolidated basis* under Article 111 of the *CRD*.

If the *data item* is required to be completed by the *firm* on a *consolidated basis* (pursuant to (d), (e) or (f) above) or on a *sub-consolidated basis* (pursuant to (c) above), the *firm* must carry out the consolidation or sub-consolidation to the same extent and in the same manner as it is required to comply with the obligations laid down in Part Six of the *CRR* on a *consolidated basis* or *sub-consolidated basis*.

- (36) Unless otherwise stated in the relevant modification, any changes to reporting requirements caused by a *firm* receiving a *domestic liquidity sub-group* permission do not take effect until the first day of the next reporting period applicable under the changed reporting requirements for the *data item* in question if the *firm* receives that permission of the way through such a period. If the change is that the *firm* does not have to report a particular *data item* or does not have to report it at a particular *reporting level*, the *firm* must nevertheless report that item or at that *reporting level* for any reporting period that has already begun.
- (37) This *data item* must be reported in the single currency in which the *firm* reports for the purposes of Article 415(1) of the *CRR* and in any additional currencies in which the *firm* is required to report under Article 415(2) of the *CRR*.

7.2

The applicable reporting frequencies for submission of *data items* and periods referred to in 7.1 are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

RAG 1				
Data item	UK banks and building societies (on an unconsolidated or individual consolidated basis) (9)	[deleted.]	UK banks and building societies (on a UK consolidation group, defined liquidity group or sub-consolidation group basis, as applicable)	Other members of RAG 1
...				
FSA047	Daily, weekly, monthly or quarterly ((2), (3), and (6) and (12))		Daily, weekly, monthly or quarterly ((2), (5), and (6) and (12))	Daily, weekly, monthly or quarterly ((2), (4), and (6) and (12))

FSA048	Daily, weekly, monthly or quarterly ((2), (3), and (6) and (12))		Daily, weekly, monthly or quarterly ((2), (5), and (6) and (12))	Daily, weekly, monthly or quarterly ((2), (4), and (6) and (12))
...				
PRA110	Daily, weekly or monthly (2) (13) (14)	=	Daily, weekly or monthly (2) (13) (14)	Daily, weekly or monthly (2) (13) (14)
...				

...

(12) If a *firm* reports PRA110 monthly in accordance with (14)(b) and otherwise would report FSA047 and FSA048 weekly in accordance with (3), (4) or (5), the *firm* must report FSA047 and FSA048:

- (a) monthly instead of weekly for the purpose of (3), (4) or (5); and
(b) weekly instead of every business day for the purpose of (6).

(13) (a) If the reporting frequency would otherwise be weekly, the item is to be reported on every *business day* if (and for as long as) there is a specific liquidity stress or market liquidity stress in relation to the *firm*, *branch* or group in question.

(b) If the reporting frequency would otherwise be monthly, the item is to be reported weekly if (and for as long as) there is a specific liquidity stress or market liquidity stress in relation to the *firm*, *branch* or group in question.

(c) A *firm* must ensure that it would be able at all times to meet the requirements for daily or weekly reporting under paragraph (a) or (b) even if there is no specific liquidity stress or market liquidity stress and none is expected.

(14) The reporting frequency is as follows:

(a) weekly if the *firm* has *total assets*, calculated in accordance with Council Directive 86/635/EEC, equal or greater than EUR 30 billion on either an individual basis or *UK consolidation group* basis. This requirement stops applying if the *total assets* of the *firm* on both an individual basis and *UK consolidation group* basis reduce to less than EUR 30 billion for at least four consecutive weekly reporting periods, in which case the *firm* is required to start reporting this *data item* monthly after the end of last consecutive reporting period; and

(b) monthly if the *firm* has *total assets*, calculated in accordance with Council Directive 86/635/EEC, of less than EUR 30 billion on both an individual basis and *UK consolidation group* basis. This requirement stops applying if during any monthly reporting period the *total assets* of the *firm*, on either an individual basis or *UK consolidation group* basis, become equal to or greater than EUR 30 billion, in which case the *firm* is required to start reporting this *data item* weekly after the end of that reporting period.

...

7.3

The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 7.2, unless indicated otherwise.

RAG 1						
Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
PRA110	22.00 hours (London time) on	2 <i>business days</i> from 1 July 2019 to 31 October	15 <i>business</i>	=	=	=

	the <i>business day</i> immediately following the last day of the reporting period for the item in question	2019 where 7.2(14)(a) applies. In all other cases, 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	<i>days</i>			
...						

...

9 REGULATED ACTIVITY GROUP 3

...

9.2

The applicable *data items* referred to in the table in 6.1 for a *UK designated investment firm* are set out in the table below:

RAG 3	
Description of <i>data item</i>	Applicable <i>data items</i> (1)
...	
Cash Flow Mismatch	PRA110 (19)(20)(21)

...

(19) A *firm* must complete this item separately on each of the following bases that are applicable.

(a) It must complete it on an individual basis. Therefore even if it has an *individual consolidation permission* it must complete the item on an unconsolidated basis by reference to the *firm* alone.

(b) If it is part of a *domestic liquidity sub-group*, it must complete the item on the basis of that group and (a) does not apply.

(c) If it is part of a *sub-consolidation group*, it must complete the item on the basis of that *sub-consolidation group*.

(d) If it is an *EU parent institution*, it must complete the item on the basis of its *consolidated situation*.

(e) If it is a *UK bank* or *building society* controlled by an *EU parent financial holding company* or by an *EU parent mixed financial holding company* it must complete the item on the basis of the *consolidated situation* of that holding company if the *PRA* is responsible for supervision of the *firm* on a *consolidated basis* under Article 111 of the *CRD*.

(f) If it is a *UK designated investment firm* controlled by an *EU parent financial holding company* or by an *EU parent mixed financial holding company* the *firm* must complete the item on the basis of the *consolidated situation* of that holding company if: (1) there is no *subsidiary* of the holding company which is a *credit institution* to which (e) applies; and (2) the *PRA* is responsible for the supervision of the *firm* on a *consolidated basis* under Article 111 of the *CRD*.

If the *data item* is required to be completed by the *firm* on a *consolidated basis* (pursuant to (d), (e) or (f) above) or on a *sub-consolidated basis* (pursuant to (c) above), the *firm* must carry out the consolidation or sub-consolidation to the same extent and in the same manner as it is required to comply with the obligations laid down in Part Six of the *CRR* on a *consolidated basis* or *sub-consolidated basis*.

- (20) Unless otherwise stated in the relevant modification, any changes to reporting requirements caused by a *firm* receiving a *domestic liquidity sub-group* permission do not take effect until the first day of the next reporting period applicable under the changed reporting requirements for the *data item* in question if the *firm* receives that permission of the way through such a period. If the change is that the *firm* does not have to report a particular *data item* or does not have to report it at a particular *reporting level*, the *firm* must nevertheless report that item or at that *reporting level* for any reporting period that has already begun.
- (21) This *data item* must be reported in the single currency in which the *firm* reports for the purposes of Article 415(1) of the *CRR* and in any additional currencies in which the *firm* is required to report under Article 415(2) of the *CRR*.

...

9.3

The applicable reporting frequencies for submission of *data items* and periods referred to in 9.2 are set out in the table below. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

RAG 3	
Data item	Reporting frequency
...	
FSA047	Daily, weekly, monthly or quarterly ((1), (2), and (3) and (8))
FSA048	Daily, weekly, monthly or quarterly ((1), (2), and (3) and (8))
...	...
PRA110	Daily, weekly or monthly ((9) (10) (11))

...

- (8) If a *firm* reports PRA110 monthly in accordance with (11)(b) and otherwise would report FSA047 and FSA048 weekly in accordance with (2), the *firm* must report FSA047 and FSA048:
- (a) monthly instead of weekly for the purpose of (2);
- (b) weekly instead of every business day for the purpose of (3).
- (9) Reporting frequencies and reporting periods for this *data item* are calculated on a calendar year basis and not from a *firm's accounting reference date*. In particular:
- (a) A week means the period beginning on Saturday and ending on Friday.
- (b) A month begins on the first day of the calendar month and ends on the last day of that month.
- (c) Quarters end on 31 March, 30 June, 30 September and 31 December.
- (d) Daily means each *business day*.
- All periods are calculated by reference to London time.
- Any changes to reporting requirements caused by a *firm* receiving a *domestic liquidity sub-group* permission do not take effect until the first day of the next reporting period applicable under the changed reporting requirements if the *firm* receives that permission of the way through such a period.
- (10) (a) If the reporting frequency would otherwise be weekly, the item is to be reported on every *business day* if (and for as long as) there is a specific liquidity stress or market liquidity stress in relation to the *firm*, *branch* or group in question.
- (b) If the reporting frequency would otherwise be monthly, the item is to be reported weekly if (and for as long as) there is a specific liquidity stress or market liquidity stress in relation to the *firm*, *branch* or group in question.
- (c) A *firm* must ensure that it would be able at all times to meet the requirements for daily or weekly reporting under paragraph (a) or (b) even if there is no specific liquidity stress or market liquidity stress and none is expected.
- (11) The reporting frequency is as follows:
- (a) weekly if the *firm* has *total assets*, calculated in accordance with Council Directive 86/635/EEC, equal or greater than EUR 30 billion on either an individual basis or *UK consolidation group* basis. This requirement stops applying if the *total assets* of the *firm*

on both an individual basis and *UK consolidation group* basis reduce to less than EUR 30 billion for at least four consecutive weekly reporting periods, in which case the *firm* is required to start reporting this *data item* monthly after the end of last consecutive reporting period; and
 (b) monthly if the *firm* has *total assets*, calculated in accordance with Council Directive 86/635/EEC, of less than EUR 30 billion on both an individual basis and *UK consolidation group* basis. This requirements stops applying if during any monthly reporting period the *total assets* of the *firm*, on either an individual basis or *UK consolidation group* basis, become equal to or greater than EUR 30 billion, in which case the *firm* is required to start reporting this *data item* weekly after the end of that reporting period.

9.4

The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 9.3, unless indicated otherwise.

RAG 3						
Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
PRA110	22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	2 <i>business days</i> from 1 July 2019 to 31 October 2019 where 9.3(11)(a) applies. In all other cases, 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	15 <i>business days</i>			

...

16 DATA ITEMS AND OTHER FORMS

...

16.44 PRA110 can be found *here*.

...

Annex B

Amendments to the Internal Liquidity Adequacy Assessment Part

In this Annex deleted text is struck through.

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

~~domestic liquidity sub-group~~

~~means the firms supervised by the PRA for liquidity purposes as if they formed a single entity as a result of a permission granted to those firms under Article 8(2) of the CRR.~~

Annex C

Amendments to the Glossary

In this Annex new text is underlined.

...

domestic liquidity sub-group the firms supervised by the PRA for liquidity purposes as if they formed a single entity as a result of a permission granted to those firms under Article 8(2) of the CRR.

Annex D

Amendments to the Regulatory Reporting Part

In this Annex deleted text is struck through.

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

intra-group liquidity modification

~~means a modification to the overall liquidity adequacy rule of the kind described in BIPRU 12.8.7G in the PRA Handbook as in effect on 30 September 2015 granted to a firm and in effect on that date.~~

...

lead regulated firm

means a *firm* which is the subject of the financial supervision requirements of an *overseas regulator* in accordance with an agreement between the *PRA* and that regulator relating to the financial supervision of *firms* whose head office is within the country of that regulator.

~~This definition is not related to the defined term 'UK lead regulated firm'.~~

...

reporting level

means (in relation to a *data item*) the basis on which that *data item* is prepared, being either:

- (1) an individual basis; or
- (2) the basis of a group and, if it is prepared on the basis of a group, the type of group (such as a ~~UK-DLG by modification, a non-UK-DLG by modification (firm level) or a domestic liquidity sub-group~~).

...

7 Regulated Activity Group 1

7.1 The applicable *data items* referred to in the table in 6.1 are set out according to *firm* type in the table below:

RAG 1	Prudential category of <i>firm</i> , applicable <i>data items</i> and reporting format (1)						
	UK bank other than a ring-fenced body	Ring-fenced body	Building society	Non-EEA bank	EEA bank that has permission to accept deposits and that has its registered office (or, if it has no registered	[deleted.]	[deleted.]

					office, its head office) outside the EU		
Description of data item							
...							
[deleted] Daily Flows	[deleted] FSA047 ((13), (16) and (18))	[deleted] FSA047 ((13), (16) and (18))	[deleted] FSA047 ((13), (16) and (18))		[deleted] FSA047 ((13), (15), (16) and (18))	-	-
[deleted] Enhanced Mismatch Report	[deleted] FSA048 ((13), (16) and (18))	[deleted] FSA048 ((13), (16) and (18))	[deleted] FSA048 ((13), (16) and (18))		[deleted] FSA048 ((13), (15), (16) and (18))	-	-
...							

...

- (13) [deleted] A firm must complete this item separately on each of the following bases that are applicable.

- (a) It must complete it on an individual basis. Therefore even if it has an *individual consolidation permission* it must complete the item on an unconsolidated basis by reference to the *firm* alone.
- (b) If it is a *group liquidity reporting firm* in a *DLG by default* and is a *UK lead regulated firm*, it must complete the item on the basis of that group.
- (c) If it is a *group liquidity reporting firm* in a *UK DLG by modification*, it must complete the item on the basis of that sub-group and (a) does not apply.
- (d) If it is a *group liquidity reporting firm* in a *non-UK DLG by modification*, it must complete the item on the basis of that group.

...

- (16) [deleted] (a) This item must be reported in the reporting currency.
- (b) If any *data element* is in a currency or currencies other than the reporting currency, all currencies (including the reporting currency) must be combined into a figure in the reporting currency.
- (c) In addition, all *material currencies* (which may include the reporting currency) must each be recorded separately (translated into the reporting currency). However if:
- (i) the reporting frequency is (whether under a rule or under a *waiver*) quarterly or less than quarterly; or
- (ii) the only *material currency* is the reporting currency, then (c) does not apply.
- (d) If there are more than three *material currencies* for this *data item*, (c) only applies to the three largest in amount. A *firm* must identify the largest in amount in accordance with the following procedure.
- (i) For each currency, take the largest of the asset or liability figure as referred to in the definition of *material currency*.
- (ii) Take the three largest figures from the resulting list of amounts.
- (e) The date as at which the calculations for the purposes of the definition of *material currency* are carried out is the last day of the reporting period in question.
- (f) The reporting currency for this *data item* is whichever of the following currencies the *firm* chooses, namely USD (the United States Dollar), EUR (the euro), GBP (sterling), JPY (the Japanese Yen), CHF (the Swiss Franc), CAD (the Canadian Dollar) or SEK (the Swedish Krona).

...

- (18) [deleted] Unless otherwise stated in the relevant modification, any changes to reporting requirements caused by a *firm* receiving an *intra-group liquidity modification* (or a variation to one) do not take effect until the first day of the next reporting period

applicable under the changed reporting requirements for the *data item* in question if the *firm* receives that *intra-group liquidity modification*, or variation part of the way through such a period. If the change is that the *firm* does not have to report a particular *data item* or does not have to report it at a particular *reporting level*, the *firm* must nevertheless report that item or at that *reporting level* for any reporting period that has already begun.

...

7.2

The applicable reporting frequencies for submission of *data items* and periods referred to in 7.1 are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

RAG 1				
<i>Data item</i>	UK banks and building societies (on an unconsolidated or individual consolidated basis) (9)	[deleted.]	UK banks and building societies (on a UK consolidation group, defined liquidity group or sub-consolidation group basis, as applicable)	Other members of RAG 1
...				
[deleted] FSA047	[deleted] Daily, weekly, monthly or quarterly ((2), (3), (6) and (12))		[deleted] Daily, weekly, monthly or quarterly ((2), (5), (6) and (12))	[deleted] Daily, weekly, monthly or quarterly ((2), (4), (6) and (12))
[deleted] FSA048	[deleted] Daily, weekly, monthly or quarterly ((2), (3), (6) and (12))		[deleted] Daily, weekly, monthly or quarterly ((2), (5), (6) and (12))	[deleted] Daily, weekly, monthly or quarterly ((2), (4), (6) and (12))
...				

...

- (3) [deleted] If the report is on an individual basis (and the *firm* is a *UK firm*) the reporting frequency is as follows:
- (a) if the *firm* does not have an *intra-group liquidity modification* the frequency is:
 - (i) weekly if the *firm* is a *standard frequency liquidity reporting firm*; and
 - (ii) monthly if the *firm* is a *low frequency liquidity reporting firm*;
 - (b) if the *firm* is a *group liquidity reporting firm* in a *non-UK DLG by modification (firm level)* the frequency is:
 - (i) weekly if the *firm* is a *standard frequency liquidity reporting firm*; and
 - (ii) monthly if the *firm* is a *low frequency liquidity reporting firm*;
 - (c) the frequency is quarterly if the *firm* is a *group liquidity reporting firm* in a *UK-DLG by modification*.
- (4) [deleted] (a) If the report is on an individual basis (and the *firm* is not a *UK firm*) the reporting frequency is as follows:
- (i) weekly if the *firm* is a *standard frequency liquidity reporting firm*; and
 - (ii) monthly if the *firm* is a *low frequency liquidity reporting firm*.
- (b)–
- (5) [deleted] (a) If the report is by reference to the *firm's DLG by default* the reporting frequency is:
- (i) weekly if the *group liquidity standard frequency reporting conditions* are met;

- (ii) ~~monthly if the group liquidity low frequency reporting conditions are met.~~
- (b) If the report is by reference to the ~~firm's UK DLG by modification~~ the reporting frequency is:
 - (i) ~~weekly if the group liquidity standard frequency reporting conditions are met;~~
 - (ii) ~~monthly if the group liquidity low frequency reporting conditions are met.~~
- (c) If the report is by reference to the ~~firm's non-UK DLG by modification~~ the reporting frequency is quarterly.

- (6) ~~[deleted] (a) If the reporting frequency is otherwise weekly, the item is to be reported on every business day if (and for as long as) there is a firm-specific liquidity stress or market liquidity stress in relation to the firm, branch or group in question.~~
- ~~(b) If the reporting frequency is otherwise monthly, the item is to be reported weekly if (and for as long as) there is a firm-specific liquidity stress or market liquidity stress in relation to the firm, branch or group in question.~~
- ~~(c) A firm must ensure that it would be able at all times to meet the requirements for daily or weekly reporting under paragraph (a) or (b) even if there is no firm-specific liquidity stress or market liquidity stress and none is expected.~~

...

- (12) ~~[deleted] If a firm reports PRA110 monthly in accordance with (14)(b) and otherwise would report FSA047 and FSA048 weekly in accordance with (3), (4) or (5), the firm must report FSA047 and FSA048:~~
- ~~(a) monthly instead of weekly for the purpose of (3), (4) or (5); and~~
- ~~(b) weekly instead of every business day for the purpose of (6).~~

...

7.3

The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 7.2, unless indicated otherwise.

RAG 1						
Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
[deleted] FSA047	[deleted] 22.00 hours (London time) on the business day immediately following the last day of the reporting period for the item in question	[deleted] 22.00 hours (London time) on the business day immediately following the last day of the reporting period for the item in question	[deleted] 15 business days	[deleted] 15 business days or one month (5)	-	-
[deleted] FSA048	[deleted] 22.00 hours (London time) on the business day immediately following the last day of the reporting period for the item in question	[deleted] 22.00 hours (London time) on the business day immediately following the last day of the reporting period for the item in question	[deleted] 15 business days	[deleted] 15 business days or one month (5)	-	-
...						

PRA110	22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	2 business days from 1 July 2019 to 31 October 2019 where 7.2(14)(a) applies. In all other cases, 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	15 <i>business days</i>	-	-	-
...						

...

(5) [deleted] It is ~~one month~~ if the report relates to a ~~non-UK DLG by modification~~.

...

9 REGULATED ACTIVITY GROUP 3

...

9.2

The applicable *data items* referred to in the table in 6.1 for a *UK designated investment firm* are set out in the table below:

RAG 3	
Description of data item	Applicable data items (1)
...	
[deleted] Daily flows	[deleted] FSA047 ((9), (11) and (13))
[deleted] Enhanced Mismatch Report	[deleted] FSA048 ((9), (11) and (13))
...	

...

- (9) ~~[deleted]~~ A *firm* must complete this item separately on each of the following bases that are applicable.

(a) It must complete it on an individual basis. Therefore even if it has an *individual consolidation permission* it must complete the item on an unconsolidated basis by reference to the *firm* alone.

(b) If it is a *group liquidity reporting firm* in a *DLG by default* and is a *UK lead regulated firm*, it must complete the item on the basis of that group.

(c) If it is a *group liquidity reporting firm* in a *UK DLG by modification*, it must complete the item on the basis of that sub-group and (a) does not apply.

(d) If it is a *group liquidity reporting firm* in a *non-UK DLG by modification*, it must complete the item on the basis of that group.

...

- (11) ~~[deleted]~~ (a) This item must be reported in the reporting currency.
 (b) If any *data element* is in a currency or currencies other than the reporting currency, all currencies (including the reporting currency) must be combined into a figure in the reporting currency.
 (c) In addition, all *material currencies* (which may include the reporting currency) must each be recorded separately (translated into the reporting currency).
 — However if:
 (i) the reporting frequency is (whether under a rule or under a *waiver*) quarterly or less than quarterly; or
 (ii) the only *material currency* is the reporting currency;
 — then (c) does not apply.
 (d) If there are more than three *material currencies* for this *data item*, (c) only applies to the three largest in amount. A *firm* must identify the largest in amount in accordance with the following procedure.
 (i) For each currency, take the largest of the asset or liability figure as referred to in the definition of *material currency*.
 (ii) Take the three largest figures from the resulting list of amounts.
 (e) The date as at which the calculations for the purposes of the definition of *material currency* are carried out is the last day of the reporting period in question.
 (f) The reporting currency for this *data item* is whichever of the following currencies the *firm* chooses, namely USD (the United States Dollar), EUR (the euro), GBP (sterling), JPY (the Japanese Yen), CHF (the Swiss Franc), CAD (the Canadian Dollar) or SEK (the Swedish Krona).

...

- (13) ~~[deleted]~~ Unless otherwise stated in the relevant modification, any changes to reporting requirements caused by a *firm* receiving an *intra-group liquidity modification* (or a variation to one) do not take effect until the first day of the next reporting period applicable under the changed reporting requirements for the *data item* in question if the *firm* receives that *intra-group liquidity modification*, or variation part of the way through such a period. If the change is that the *firm* does not have to report a particular *data item* or does not have to report it at a particular *reporting level*,

the *firm* must nevertheless report that item or at that *reporting level* for any reporting period that has already begun.

...

9.3

The applicable reporting frequencies for submission of *data items* and periods referred to in 9.2 are set out in the table below. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

RAG 3	
Data item	Reporting frequency
...	
[deleted] FSA047	[deleted] Daily, weekly, monthly or quarterly ((1), (2), (3) and (8))
[deleted] FSA048	[deleted] Daily, weekly, monthly or quarterly ((1), (2), (3) and (8))
...	...

...

- (1) ~~[deleted] Reporting frequencies and reporting periods for this *data item* are calculated on a calendar year basis and not from a *firm's accounting reference date*. In particular:~~

- ~~(a) A week means the period beginning on Saturday and ending on Friday.~~
- ~~(b) A month begins on the first day of the calendar month and ends on the last day of that month.~~
- ~~(c) Quarters end on 31 March, 30 June, 30 September and 31 December.~~
- ~~(d) Daily means each *business day*.~~

~~All periods are calculated by reference to London time.~~

~~Any changes to reporting requirements caused by a *firm* receiving an *intra-group liquidity modification* (or a variation to one) do not take effect until the first day of the next reporting period applicable under the changed reporting requirements if the *firm* receives that *intra-group liquidity modification*, or variation part of the way through such a period, unless the *intra-group liquidity modification* says otherwise.~~

- (2) ~~[deleted] If the report is on an individual basis the reporting frequency is as follows:~~

- ~~(a) if the *firm* does not have an *intra-group liquidity modification* the frequency is:

 - ~~(i) weekly if the *firm* is a *standard frequency liquidity reporting firm*; and~~
 - ~~(ii) monthly if the *firm* is a *low frequency liquidity reporting firm*;~~~~
- ~~(b) if the *firm* is a *group liquidity reporting firm* in a *non-UK DLG by modification (firm level)* the frequency is:

 - ~~(i) weekly if the *firm* is a *standard frequency liquidity reporting firm*; and~~
 - ~~(ii) monthly if the *firm* is a *low frequency liquidity reporting firm*;~~~~
- ~~(c) the frequency is quarterly if the *firm* is a *group liquidity reporting firm* in a *UK DLG by modification*.~~

- (3) ~~[deleted] (a) If the reporting frequency is otherwise weekly, the item is to be reported on every *business day* if (and for as long as) there is a *firm-specific liquidity stress* or *market liquidity stress* in relation to the *firm* or group in question.~~
- ~~(b) If the reporting frequency is otherwise monthly, the item is to be reported weekly if (and for as long as) there is a *firm-specific liquidity stress* or *market liquidity stress* in relation to the *firm* or group in question.~~
- ~~(c) A *firm* must ensure that it would be able at all times to meet the requirements for daily or weekly reporting under paragraph (a) or (b) even if there is no *firm-specific liquidity stress* or *market liquidity stress* and none is expected.~~

...

- (8) ~~[deleted] If a *firm* reports PRA110 monthly in accordance with (11)(b) and otherwise would report FSA047 and FSA048 weekly in accordance with (2), the *firm* must report FSA047 and FSA048:~~

- (a) monthly instead of weekly for the purpose of (2);
- (b) weekly instead of every business day for the purpose of (3).

...

9.4

The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 9.3, unless indicated otherwise.

RAG 3						
Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
[deleted] FSA047	[deleted] 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	[deleted] 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	[deleted] 15 <i>business days</i>	[deleted] 15 <i>business days</i> or one <i>month</i> (3)	-	-
[deleted] FSA048	[deleted] 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	[deleted] 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	[deleted] 15 <i>business days</i>	[deleted] 15 <i>business days</i> or one <i>month</i> (3)	-	-
...						
PRA110	22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	2 <i>business days</i> from 1 July 2019 to 31 October 2019 where 9.3(11)(a) applies. In all other cases, 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	15 <i>business days</i>			

...

- (3) [deleted] It is one *month* if the report relates to a *non-UK DLG by modification*.

16 DATA ITEMS AND OTHER FORMS

...

16.15 [deleted] FSA047 can be found *here*.

16.16 [deleted] FSA048 can be found *here*.

...

ANNEX 1 ~~[deleted]~~

~~Liquidity definitions~~

~~defined liquidity group~~

~~DLG by default~~

~~DLG by modification (firm level)~~

~~firm-specific liquidity stress~~

~~group liquidity low frequency reporting conditions~~

~~group liquidity reporting firm~~

~~group liquidity standard frequency reporting conditions~~

~~low frequency liquidity reporting firm~~

~~market liquidity stress~~

~~material currencies~~

~~non-UK DLG by modification~~

~~non-UK DLG by modification (DLG level)~~

~~non-UK DLG by modification (firm level)~~

~~overall liquidity adequacy rule~~

~~standard frequency liquidity reporting firm~~

~~UK DLG by modification~~

~~UK lead regulated firm~~

Externally defined terms

<i>Term</i>	<i>Definition source</i>
credit institution	Article 4(1)(1) CRR
EU parent institution	Article 4(1)(29) CRR
EU parent financial holding company	Article 4(1)(31) CRR
EU parent mixed financial holding company	Article 4(1)(33) CRR
consolidated situation	Article 4(1)(47) CRR
consolidated basis	Article 4(1)(48) CRR
sub-consolidated basis	Article 4(1)(49) CRR

PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS, SOLVENCY II FIRMS, NON SOLVENCY II FIRMS: FORMS AMENDMENT INSTRUMENT 2019

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);
 - (2) section 137T (General supplementary powers);
 - (3) section 179 (Requirements for section 178 notices); and
 - (4) section 191E (Requirements for notices under section 191D).
- 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, Non CRR Firms, Solvency II Firms, Non Solvency II Firms: Forms Amendment Instrument 2018

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

Part	Annex
Insurance Special Purpose Vehicles	A
Passporting	B
Change in Control	C
Notifications	D

Commencement

- E. This instrument comes into force on 19 January 2019.

Citation

- F. This instrument may be cited as the **PRA Rulebook: CRR Firms, Non CRR Firms, Solvency II Firms, Non Solvency II Firms: Forms Amendment Instrument 2019**

By order of the Prudential Regulation Committee

18 December 2018

Annex A

Amendments to the Insurance Special Purpose Vehicles Part

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

...

6 FORMS

6.1 The *MISPV new risk assumption notification form* can be found ~~here~~ [here](#).

6.2 The *group of cells notification form* can be found ~~here~~ [here](#).

Annex B

Amendments to the Passporting Part

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

...

10 FORMS

10.1 The Branch Notification Form can be found ~~here~~ [here](#).

10.2 The Cross Border Services Notification Form can be found ~~here~~ [here](#).

10.3 The Declaration can be found ~~here~~ [here](#).

Annex C

Amendments to the Change in Control 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:

...

Annual Controllers Report

means the report relevant form referred to in Chapter 6.6 in the form approved by the PRA and made available on the PRA's website.

...

Controller's Form

means the relevant form referred to in Chapter 6.1 to 6.5 approved by the PRA and made available on the PRA's website.

...

2 OBLIGATIONS ON CONTROLLERS AND PROPOSED CONTROLLERS

2.1 The PRA directs that ~~a person submitting a section 178 notice~~ submitted to the PRA in accordance with section 178(1) of FSMA ~~must do so using the relevant Controller's Form~~ contain the information and be accompanied by such documents as are required by the Controller's Form approved for the relevant application.

...

5 ANNUAL CONTROLLERS REPORT

5.1 A firm must submit (or procure that another firm in its group submits) to the PRA PRA, by electronic means, a completed written Annual Controllers Report ~~which contains the information specified in the form referred to at 6.6~~, within four months of the firm's accounting reference date.

...

6 FORMS

6.1 ~~The Controllers Form to be used by a limited company or limited liability partnership can be found here.~~ [Deleted.]

6.2 ~~The Controllers Form to be used by a partnership is can be found here.~~ [Deleted.]

6.3 ~~The Controllers Form to be used by an individual (other than in that individual's capacity as a trustee, settler or beneficiary of a trust) can be found here.~~ [Deleted.]

6.4 ~~The Controllers Form to be used by a person in their capacity as a trustee, settler or beneficiary of a trust can be found here.~~ [Deleted.]

- 6.5 ~~The *Controllers Form* to be used by a person in their capacity as an investment manager can be found here.~~[\[Deleted.\]](#)
- 6.6 ~~The *Annual Controllers Report* can be found here.~~[\[Deleted.\]](#)

Annex D

Amendments to the Notifications Part

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

...

10 FORMS

...

10.2 The Standing Data Form can be found ~~here~~ [here](#).

...

PRA RULEBOOK: PRA FEES AMENDMENT INSTRUMENT 2019

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);
 - (2) section 137T (General supplementary powers); and
 - (3) paragraph 31 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZB (The Prudential Regulation Authority) of the Act.
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) 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 the proposed rules and had regard to representations made.

PRA Rulebook: PRA Fees Amendment Instrument 2019

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

Commencement

- E. This instrument comes into force on 1 March 2019.

Citation

- F. This instrument may be cited as the PRA Rulebook: PRA Fees Amendment Instrument 2019.

By order of the Prudential Regulation Committee

8 February 2019

Annex

Amendments to the Fees Part

In this Annex, underlining indicates new text and striking through indicates deleted text.

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

best estimate liabilities for fees purposes

means:

...

- (3) for *UK Solvency II firms* in the *life insurance fee block (A4)*, the sum of items entered under row codes R0010 and R0030, column codes C0150 and C0210, minus the sum of items entered under row codes R0010 and R0030, column codes C0090, C0140 and C0190 of the *annual quantitative reporting template S12.01.01*, minus *corporate pensions business* reported under column code C0180 of the *annual quantitative reporting template S14.01.01*, and minus 0.35 x *unit-linked business* which is not also *corporate pensions business* reported under column code C0180 of the *annual quantitative reporting template S14.01.01*, as reported to the *PRA*.

...

corporate pensions business

means ~~one or more *pension schemes* managed by an *insurer* on behalf of an employer and for which liabilities are calculated by the *insurer* only at scheme level~~ business reported using product ID codes 300-322 for the *annual quantitative reporting template S14.01.01*.

...

~~*financial and operating income*~~

~~means a *firm's* financial and operating income as reported to the *PRA* under line 1 column B of form FSA002.~~

...

gross written premium for fees purposes

means:

...

- (3) for *UK Solvency II firms* in the *life insurance fee block (A4)*, the item entered under row code R1410, column code C0300 of the *annual quantitative reporting template S05.01.01* minus *corporate pensions business* as reported to the *PRA* under column code C0060 of the *annual quantitative reporting template S14.01.01*, and minus 0.35 x *unit-linked business* which is not also *corporate pensions business* reported under column code C0060

of the *annual quantitative reporting template S14.01.01*, as reported to the PRA.

...

~~non-trading book assets for fees purposes~~

~~means total non-trading book assets as reported to the PRA under item 20B of form FSA001 minus £500 million.~~

...

total assets for fees purposes

means for firms in the designated firms dealing as principal fee block (A10), the sum of the firm's assets as recorded at row 380 of data item template 1.01 of Annex III of the Supervisory Reporting ITS.

total operating income for fees purposes

means for firms in the designated firms dealing as principal fee block (A10), the sum of the firm's net operating income as recorded at row 355 of data item template 2 of Annex III of the Supervisory Reporting ITS.

...

~~trading assets~~

~~means a firm's trading assets as reported to the PRA under item 20A of form FSA001.~~

...

unit-linked business

means business reported using product ID codes 102, 112, 122, 132, 202, 212, 222, 232, 302, 312, 322, 622, and 722 for the annual quantitative reporting template S14.01.01.

...

2 OBLIGATION TO PAY FEES

...

Relieving provisions

2.9 If it appears to ~~the PRA~~ a firm in relation to any fee that in the exceptional circumstances of a particular case ~~it would be inequitable to require payment or to retain sums previously paid~~ requiring payment or retaining a sum previously paid would be unduly burdensome or would not achieve the purpose for which the fee rule was made, it a firm ~~may at its discretion~~ apply to the PRA under section 138A FSMA for the PRA to:

- (1) waive the payment;
- (2) reduce the amount payable; or
- (3) ~~offer~~ make a whole or partial refund of sums already paid.

2.10 ~~The PRA will not consider a~~ A claim by a fee payer for waiver, reduction or refund under section 138A FSMA, in accordance with 2.9 and based on the fee payer's error if

~~the claim is made more than~~ must be made within two years after of the beginning of the period to which the fee relates.

3 PERIODIC FEES

...

3.4 The *tariff bases* and *valuation points* referred to in 3.3(3)(a) are:

...

(5) for *firms* in the *designated firms acting dealing as principal fee block* (A10), ~~*trading assets total assets for fees purposes*~~ as at 31 December preceding commencement of the *fee year* and the ~~*sum of the firm's financial and operating income total operating income for fees purposes*~~ for the four quarters ending on or before 31 December preceding commencement of the *fee year*.

...

(7) For firms in the designated firms dealing as principal fee block (A10), if, despite a firm having complied with its reporting obligations, fewer than four quarters of data for total operating income for fees purposes have been reported to the PRA, the arithmetic mean of the reported data shall be calculated, and multiplied by 4.

3.5 The periodic fees payable by:

(1) the *Society* are as specified in Table IIIA of the *Periodic Fees Schedule*;

(2) ~~fee-payers subject to the ring-fencing implementation fee are as specified in 3.18; and~~ [deleted]

(3) ~~[deleted-]~~

...

No waiver or refund of periodic fees after start of fee year

3.14 ~~Other than where the PRA exercises the discretion in 2.9 it will not waive liability for, or refund, periodic fees. If, after the start of the fee year to which they relate should the~~ a firm applies to cancel its Part 4A permission or if the a new business activity or event which has given rise to the a fee no longer applies to the firm, the firm is still liable to pay and will not be refunded periodic and other fees for that fee year, other than in cases where the PRA exercises its discretion under section 138A FSMA, in accordance with 2.9.

...

Model maintenance fee

...

3.23 In the *fee year* commencing on 1 March 2018 and subsequent *fee years*:

...

(8) For models incorporating more than one *UK firm*, the *model maintenance fee* shall be determined by reference to aggregated figures for all *UK firms* included within the scope of that model, and shall usually be payable by the *firm* which pays the largest *periodic fee* under 3.3(3) or otherwise by such *firms* and in such proportions as the *PRA* directs. To facilitate the aggregation calculation where a model incorporates one or more *CRD credit institutions* and one or more *designated investment firms* within its scope, for each *designated investment firm* which is also a *UK firm*, ~~*trading assets total assets for fees purposes*~~ shall be rounded to the nearest £1million, and each £1million of ~~*trading assets total assets for fees purposes*~~ shall be deemed equivalent to £0.4million in *modified eligible liabilities*. Total *modified eligible liabilities* shall then be added together for all *UK firms* within scope of the model.

...

**PERIODIC FEES SCHEDULE – FEE RATES AND EEA/TREATY FIRM
MODIFICATIONS FOR THE PERIOD FROM 1 MARCH 2018 TO 28 FEBRUARY 2019**

...

TABLE VIII – MODEL MAINTENANCE FEES

Basis of scale, (aggregated figures for all <i>UK firms</i> within the scope of each model or model type)	Annual fee for <i>CRR firms</i> per model type (£)				Annual fee for UK <i>Solvency II firms</i> per group or solo internal model (£)	
	IMA	IMM	IRB	AMA	A3 fee block	A4 fee block
<i>CRD credit institutions</i> with <i>modified eligible liabilities</i> in excess of £40,000million, or <i>designated investment firms</i> with <i>trading assets total assets for fees purposes</i> in excess of £100,000million	55,000	75,000	100,000	25,000	-	-
<i>CRD credit institutions</i> with <i>modified eligible liabilities</i> greater than £5,000million and less than £40,000million, or <i>designated investment firms</i> with <i>trading assets total assets for fees purposes</i> greater than £12,500million and less than £100,000million	20,000	30,000	40,000	10,000	-	-

CRD credit institutions with modified eligible liabilities of £5,000million or less, or designated investment firms with trading assets total assets for fees purposes of £12,500million or less	8,000	12,000	16,000	4,000	-	-
...

4 REGULATORY TRANSACTION FEES

...

Insurance business transfers under Part VII FSMA

4.8 The transferor seeking regulatory consent for an *insurance business transfer scheme* under Part VII of *FSMA* pays a regulatory transaction fees as follows: of £20,000.00,

~~(1) transfers involving long term insurance business £9,250.00; or~~

~~(2) all other transfers £5,000.00;~~

the *due date for payment* being on or before the date of any *application* to the *PRA* for the appointment of an independent expert.

...

Ceding Insurer's Waiver

4.11 ~~An applicant for a waiver or in relation to the treatment of assets of a *United Kingdom insurance special purpose vehicle* pays a fee of £20,000.00. [deleted]~~

...

Table D - Model types under CRR

Applicant (groupings based on <i>tariff data</i> submitted by <i>firms</i> as at 31 December in the <i>fee year</i> prior to the <i>fee year</i> in which the fee is payable).	Column 1 Fee payable (£)	
	model type	£
Where the application relates to <i>CRD credit institutions</i> or <i>designated investment firms</i> and includes five or more significant overseas entities within the same group	<i>advanced IRB, IMM or IMA</i>	268,000.00
	<i>foundation IRB</i>	232,000.00
	<i>advanced</i>	181,000.00

	<i>measurement approaches</i> <u>AMA</u>	
Where, at 31 December prior to the fee year in which the fee is payable, the applicant (1) has <i>modified eligible liabilities</i> in excess of £40,000million; or (2) is a <i>designated investment firm</i> with trading assets <u>total assets for fees purposes</u> in excess of £100,000million.	model type	£
	<i>advanced IRB, IMM or IMA</i>	232,000.00
	<i>foundation IRB</i>	198,000.00
Where, as at 31 December prior to the fee year in which the fee is payable, the applicant (1) has <i>modified eligible liabilities</i> greater than £5,000million and less than £40,000million; or (2) is a <i>designated investment firm</i> with trading assets <u>total assets for fees purposes</u> greater than £15,000million and less than £100,000million.	model type	£
	<i>advanced IRB, IMM or IMA</i>	94,000.00
	<i>foundation IRB</i>	72,000.00
Where, as at 31 December prior to the fee year in which the fee is payable, the applicant (1) has <i>modified eligible liabilities</i> of £5,000million or less; or (2) is a <i>designated investment firm</i> with trading assets <u>total assets for fees purposes</u> of £15,000million or less.	model type	£
	<i>advanced IRB, IMM or IMA</i>	42,000.00
	<i>foundation IRB</i>	30,000.00
	<i>advanced measurement approaches</i> <u>AMA</u>	146,000.00
	<i>advanced measurement approaches</i> <u>AMA</u>	51,000.00
	<i>advanced measurement approaches</i> <u>AMA</u>	24,000.00

...

Table E – Internal model application fees

Applicant	Fee payable (£)
(groupings based on <i>tariff data</i> submitted by <i>firms</i> as at 31 December 2016 <u>in the fee year prior to the fee year in which the fee is payable</u>)	
Group Internal Model (Full and Partial)	
Sum of <i>best estimate liabilities for fees purposes</i> and <u>gross written premium for fees purposes</u> for groups in the general	268,000.00

<i>insurance fee block of £200 <u>1,000</u>million or more</i>	
<i>Sum of <u>best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for groups in the <u>general insurance fee block less than £200million greater than £300million and less than £1,000million</u></i>	100,000.00
<i><u>Sum of best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for groups in the <u>general insurance fee block less than £300million</u></i>	<u>50,000.00</u>
<i>Sum of <u>best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for groups in the <u>life insurance fee block of £15,000million or more</u></i>	268,000.00
<i>Sum of <u>best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for groups in the <u>life insurance fee block less than £5,000million greater than £5,000million and less than £15,000million</u></i>	100,000.00
<i><u>Sum of best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for groups in the <u>life insurance fee block less than £5,000million</u></i>	<u>50,000.00</u>
Solo Internal Model (Full and Partial)	
<i>Sum of <u>Best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for firms in the <u>general insurance fee block of £200 <u>1,000</u>million or more</u></i>	232,000.00
<i>Sum of <u>Best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for firms in the <u>general insurance fee block less than £200million greater than £300million and less than £1,000million</u></i>	80,000.00
<i><u>Sum of best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for firms in the <u>general insurance fee block less than £300million</u></i>	<u>42,000.00</u>
<i>Sum of <u>Best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for firms in the <u>life insurance fee block of £15,000million or more</u></i>	232,000.00
<i>Sum of <u>Best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for firms in the <u>life insurance fee block less greater than £5,000million and less than £15,000million</u></i>	80,000.00
<i><u>Sum of best estimate liabilities for fees purposes and gross written premium for fees purposes</u> for firms in the <u>life insurance fee block less than £5,000million</u></i>	<u>42,000.00</u>

PRA RULEBOOK: SOLVENCY II FIRMS, NON-SOLVENCY II FIRMS, NON-AUTHORISED PERSONS: POLICYHOLDER PROTECTION (MISCELLANEOUS AMENDMENTS) INSTRUMENT 2019

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);
 - (2) section 137T (General supplementary powers);
 - (3) section 213 (The compensation scheme); and
 - (4) section 214 (General).
- 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, NON-SOLVENCY II FIRMS, NON-AUTHORISED PERSONS: POLICYHOLDER PROTECTION (MISCELLANEOUS AMENDMENTS) INSTRUMENT 2019

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

Commencement

- E. This instrument comes into force on 7 March 2019.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms, Non-Solvency II Firms, Non-Authorised Persons: Policyholder Protection (Miscellaneous Amendments) Instrument 2019.

By order of the Prudential Regulation Committee

1 March 2019

Annex A

Amendments to the Policyholder Protection Part

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

21 FSCS Levies

...

21.24

(1) This rule applies to the calculation of the levies of a *firm* (A) if:

...

(c) that acquisition or change takes place after the date to which, or as of which, A's most recent statement of business under 21.42A is drawn up so far as concerns the *insurance classes* covered by B's business.

(2) A must pay an additional amount equal to the levy that would have been payable by B in relation to the relevant business and relevant *insurance class* if the acquisition or change in legal status had not taken place and B had remained liable to pay levies. The amount is based on the most recent information supplied by B under 21.42A. A is included in the *insurance classes* applicable to the relevant business.

(3) This rule only applies with respect to those financial years of the *FSCS* for which A's levies are calculated on the basis of a statement of business under 21.42A drawn up to a date.

21.25

If a *participant firm's* share of a levy or an additional administrative fee under 21.42A would be so small that, in the opinion of the *FSCS*, the costs of collection would be disproportionate to the amount payable, the *FSCS* may treat the *participant firm* as if its share of the levy or additional administrative fee amounted to zero.

...

21.32

The *FSCS* must calculate a participant firm's share of a specific costs levy (subject to 21.24) by:

(1) identifying each relevant *insurance class* to which the *participant firm* belongs, using the statement of business most recently supplied under 21.42A;

...

(3) calculating, in relation to each relevant *insurance class*, the *participant firm's* tariff base (see Annex 2) as a proportion of the total tariff base of all *participant firms* in the *insurance class*, using the statement of business most recently supplied under 21.42A;

...

- 21.34 ...
- (3) The rest of this rule only applies to a *firm* that becomes a *participant firm*, or extends its *permission*, on or after 1 April 2009:
- ...
- (d) Where a *participant firm* is require to use a method in (c) it must notify the *FSCS* of its intention to do so by the date specified in 21.42A.
- ...
- 21.38 The *FSCS* must calculate each *participant firm's* share of a *compensation costs levy* (subject to 21.22) by:
- (1) identifying each of the *insurance classes* to which each *participant firm* belongs, using the statement of business most recently supplied under 21.42A(1);
- ...
- (3) calculating, in relation to each relevant *insurance class*, the *participant firm's* tariff base (see Annex 2) as a proportion of the total tariff base of all *participant firms* in the *insurance class*, using the statement of business most recently supplied under 21.42A;
- ...
- 21.43 If the information in 21.42A has been provided to the *PRA* under other rule obligations, a *participant firm* will be deemed to have complied with 21.42A.

Annex 2: Methodology for Calculation of a Participant Firm's Levy Share

...

Insurance Class B1	General Insurance Provision
Firms with permission for:	...
Tariff base	<p>...</p> <p>Relevant net premium income is calculated in accordance with the method applicable to the <i>firm</i> for calculating 'gross written premium for fees purposes' in Fees 1.2 and Fees 3.4 (2) (be) with the following adjustments:</p> <p>...</p> <p>Eligible liabilities are calculated in accordance with the method applicable to the <i>firm</i> for calculating 'best estimate liabilities for fees purposes' in Fees 1.2 and Fees 3.4 (2) (be) with the following adjustments:-</p>



PRA RULEBOOK: WRITTEN REPORTS BY AUDITORS TO THE PRA INSTRUMENT 2019**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);
 - (2) section 137T (General supplementary powers); and
 - (3) section 340(3A) (Appointment: requirements as to co-operation).
- 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: Written Reports by Auditors to the PRA Instrument 2019

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

Part	Annex
Glossary	A
Auditors	B
Ring-fenced Bodies	C

Commencement

- E. This instrument comes into force on 7 March 2019.

Citation

- F. This instrument may be cited as the PRA Rulebook: Written Reports by Auditors to the PRA Instrument 2019.

By order of the Prudential Regulation Committee

1 March 2019

Annex A

Amendments to the Glossary

In the Glossary part of the PRA Rulebook insert the following new definition.

...

ring-fenced holding company

means a body corporate falling within section 192JA(2) of FSMA that is the ultimate parent undertaking within a sub-consolidation group.

...

Term	Definition source
parent undertaking	Section 420 FSMA

Annex B

Amendments to the Auditors Part

1 APPLICATION AND DEFINITIONS

...

1.3 In this Part, the following definitions shall apply:

annual reports and accounts

means

(1) (in relation to a company incorporated in the *UK*) ~~these terms~~ its annual accounts and reports as they are defined in section 471 of the Companies Act 2006 together with the auditor's report prepared in relation to those accounts under sections 495 to 497A of the same Act; or

(2) (in relation to any other body) any similar or analogous documents which it is required to prepare whether by its constitution or by the law under which it is established.

...

*ultimate parent undertaking*means, in relation to a *firm*, an *undertaking* that:

(1) is a *parent undertaking* of the *firm*; and

(2) is not a *subsidiary undertaking* of another *undertaking*.

...

8 WRITTEN REPORTS BY AUDITORS TO THE PRA

8.1 This Chapter applies in relation to *annual reports and accounts* with an accounting reference date on or after 1 November 2016 but 8.3(2) and (3) and 8.3A apply only in relation to *annual reports and accounts* with an accounting reference date on or after 31 December 2018.

8.2 Unless otherwise stated, this Chapter applies to an auditor of a *firm* that:

(1) is a *UK bank* or *building society*;

(2) is not itself the *subsidiary undertaking* of an *undertaking* that is not an *UK undertaking*; and

(3) meets at least one of the following criteria:

(a) it has an individual *balance sheet total* greater than £50,000,000,000; or

(b) it is a member of a group that has a consolidated *balance sheet total* greater than £50,000,000,000,

as at the last *accounting reference date*.

8.3 An auditor must provide annually a written report to the *PRA* in relation to:

- (1) that firm's *firm's* audited annual report and accounts;
- (2) where a *firm* has an ultimate parent undertaking, the audited annual report and accounts of the ultimate parent undertaking; and
- (3) where a *firm* is a ring-fenced body and there is a ring-fenced holding company in relation to the *firm*, the audited annual report and accounts of the ring-fenced holding company.

8.3A But an auditor is not required to report in relation to the audited annual report and accounts of the firm's ultimate parent undertaking if the auditor is not also the auditor of the ultimate parent undertaking.

8.4 The report in 8.3 must:

- (1) be provided within 120 days ~~of the end of~~ beginning with the relevant accounting reference date;
- (2) provide information about key judgment areas, including:
 - (a) matters of valuation;
 - (b) quality of earnings;
 - (c) key accounting judgments; and
 - (d) the quality of the systems and controls relevant to the preparation of the a *firm's* annual report and accounts; and
- (3) be prepared with due skill, care and diligence.

8.5 An auditor must consult with the *PRA* in advance of preparing the report.

8.6 A *firm* must cooperate with its auditors in preparing the report.

Term	Definition source
parent undertaking	Section 420 FSMA
subsidiary undertaking	Section 420 FSMA

Annex C

Amendments to the Ring-fenced Bodies 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:

...

~~*ring-fenced holding company*~~

~~means a body corporate falling within section 192JA(2) of FSMA that is the ultimate parent undertaking within a sub-consolidation group;~~

PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS, NON AUTHORISED PERSONS: DEPOSITOR PROTECTION (MISCELLANEOUS AMENDMENTS) INSTRUMENT 2019

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);
 - (2) section 137T (General supplementary powers);
 - (3) section 213 (The compensation scheme); and
 - (4) section 214 (General).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) 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, Non CRR Firms, Non Authorised Persons: Depositor Protection (Miscellaneous Amendments) Instrument 2019

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

Part	Annex
Glossary	A
Depositor Protection	B

Commencement

- E. This instrument comes into force on 7 March 2019.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms, Non CRR Firms, Non Authorised Persons: Depositor Protection (Miscellaneous Amendments) Instrument 2019.

By order of the Prudential Regulation Committee

1 March 2019

Annex A

Amendments to the Glossary

In this Annex all text is new and is not underlined.

...

GDPR

means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

...

Annex B

Amendments to the Depositor Protection Part

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

2 Eligibility

...

2.2 ...

(4) The following are not *eligible deposits*:

...

(f) a *deposit* the holder and any beneficial owner (as defined in regulation ~~63~~ of the Money Laundering Regulations, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2007~~17~~) of which have not, at the *compensation date* had their identity verified in accordance with:

(i) regulation ~~930~~ of the Money Laundering Regulations, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2007~~17~~;

(ii) if their identity was verified prior to 26 June 2017, regulation 9 of the Money Laundering Regulations 2007 (in which case, the term beneficial owner in (f) above shall have the meaning given in regulation 6 of the Money Laundering Regulations 2007); or

(iii) in each case, ~~(or equivalent EEA~~European Economic Area requirements);

...

26 Confidentiality, Information Sharing and Co-operation

26.1 The FSCS must ensure the confidentiality and the protection of the data pertaining to *depositors'* accounts. The processing of such data must be carried out in accordance with the Data Protection Act ~~1998~~2018 and the GDPR.

...

28 Subrogation

...

28.3 (1) The FSCS may determine that, if it is necessary or desirable in conjunction with the exercise of the FSCS's powers under 28.2, that the *compensation recipient* shall be treated as having irrevocably and unconditionally appointed the chairman of the FSCS for the time being to be their attorney and agent and on their behalf and in their name or otherwise to do such things and execute such deeds and documents as may be required under such laws of the UK, another EEA State or any other state or ~~law~~-country to create or give effect to such assignment or transfer or otherwise give full effect to those powers.

...

44 Funding – Reporting Requirements

...

44.4 If a *firm* does not submit a complete *statement of business* by the date on which it is due in accordance with 44.2 and any prescribed submission procedures:

...

(2) The *DGS compensation costs levy* and any *DGS specific costs levy* will be calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by a factor of 1.10 (or if it has become a *DGS member* part way through a financial year, on the basis of the information provided to the *PRA* and used to calculate *PRA fees for the purposes of Fees 3.6 (1)* or on any other reasonable basis, making such adjustments as seem appropriate in subsequent levies once the true figures are known).

...

PRA RULEBOOK: CRR FIRMS: CREDIT RISK (AMENDMENT) INSTRUMENT 2019

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: Credit Risk (Amendment) Instrument 2019

- D. The PRA makes the rules in the Annex.

Commencement

- E. This instrument comes into force on 31 December 2020.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Credit Risk (Amendment) Instrument 2019.

By order of the Prudential Regulation Committee

8 February 2019

Annex

Amendments to the Credit Risk Part

In this Annex new text is underlined.

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

equity exposures

means exposures that meet the criteria in either:

- (1) Article 133 of the CRR; or
- (2) Article 147(6) of the CRR, if a firm has permission to use internal models in accordance with Chapter 3, Title II, Part Three of the CRR.

...

non-retail exposures

means exposures that are not retail exposures, in accordance with Commission Delegated Regulation (EU) 2018/171.

retail exposures

means exposures that meet the criteria in either:

- (1) Article 123 of the CRR; or
- (2) Article 147(5) of the CRR, if a firm has permission to use internal models in accordance with Chapter 3, Title II, Part Three of the CRR.

...

6 MATERIALITY THRESHOLD

6.1 For the purposes of Article 178(1)(b) of the CRR, a firm must assess a credit obligation past due as material if:

(1) for retail exposures:

- (a) the sum of all amounts past due owed by an obligor to the firm, any parent undertaking of the firm or any subsidiary of the firm is greater than £0; and
- (b) the amount of the credit obligation past due in relation to the total amount of all on-balance sheet exposures to that obligor of the firm, any parent undertaking of the firm or any subsidiary of the firm, excluding equity exposures, is greater than 0%;

(2) for non-retail exposures:

- (a) the sum of all amounts past due owed by an obligor to the *firm*, any *parent undertaking* of the *firm* or any *subsidiary* of the *firm* is greater than EUR 500 sterling equivalent; and
- (b) the amount of the credit obligation past due in relation to the total amount of all on-balance sheet *exposures* to that obligor of the *firm*, any *parent undertaking* of the *firm* or any *subsidiary* of the *firm*, excluding *equity exposures*, is greater than 1%.

[Note: Arts. 178(1)(b) and 178(2)(d) of the CRR]

**PRA RULEBOOK: NON AUTHORISED PERSONS: FSCS MANAGEMENT EXPENSES LEVY
LIMIT AND BASE COSTS INSTRUMENT 2019**

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 137T (General supplementary powers);
 - (2) section 213 (The compensation scheme);
 - (3) section 214 (General); and
 - (4) section 223 (Management expenses).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) 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 any representations made.

PRA Rulebook: Non Authorised Persons: FSCS Management Expenses Levy Limit and Base Costs Instrument 2019

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

Commencement

- E. This instrument comes into force on 1 April 2019.

Citation

- F. This instrument may be cited as the PRA Rulebook: Non Authorised Persons: FSCS Management Expenses Levy Limit and Base Costs Instrument 2019.

By order of the Prudential Regulation Committee

19 March 2019.

Annex

Amendments to the FSCS Management Expenses Levy Limit and Base Costs Part

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

...

2 LIMIT ON MANAGEMENT EXPENSES LEVIES

- 2.1 The total of all *management expenses levies* attributable to the period 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020 of the *deposit guarantee scheme*, the *dormant account scheme* or the *policyholder protection scheme* may not exceed ~~£77,661,000~~ £79,555,000 less whatever *management expenses levies* the FSCS has imposed in accordance with *FCA compensation scheme rules* attributable to that period.

...

PRA RULEBOOK: (EU EXIT) INSTRUMENT 2019**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) being the appropriate regulator within the meaning of the Financial Regulators’ Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (“the Regulations”), having carried out consultations pursuant to regulation 5 of the Regulations and with the approval of the Treasury to the following instrument, makes the instrument in exercise of the powers conferred by regulation 3 of the Regulations.
- B. In respect of matters falling within Section 213(3)(b) and 213(4) of the Financial Services and Markets Act 2000 (“the Act”), the PRA makes the instrument in exercise of the following powers in the Act:
- (1) section 137G (The PRA’s general rules)
 - (2) section 137T (General supplementary powers)
 - (3) section 213(1) (The compensation scheme); and
 - (4) section 214 (General)
- C. The PRA makes the instrument in the exercise of paragraph 31(Fees) of Part 3 (Penalties and Fees) of Schedule 1ZB of the Act in respect of the matters falling within that paragraph.
- D. The PRA makes the instrument in the exercise of regulation 209(1) of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 in respect of the matters falling within that regulation.
- E. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Pre-conditions to making

- F. A draft of this instrument has been approved by the Treasury, having been satisfied that it makes appropriate provision to prevent, remedy or mitigate any failure of retained EU law to operate effectively, or any other deficiency in retained EU law, arising from the withdrawal of the United Kingdom from the European Union.
- G. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority in respect of the matters referred to at paragraphs B and C above. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

PRA Rulebook: EU (EXIT) INSTRUMENT 2019

- H. The PRA makes the rules and directions in the Annexes to this instrument.

Part	Annex
Glossary	A
Interpretation	B
Fundamental Rules	C
Algorithmic Trading	D
Allocation of Responsibilities	E
Audit Committee	F
Auditors	G
Capital Buffers	H
Certification	I

Change in Control	J
Close Links	K
Compliance and Internal Audit	L
Conditions Governing Business	M
Conduct Rules	N
Contractual Recognition of Bail-In	O
Credit Risk	P
Credit Unions	Q
Depositor Protection	R
Dormant Account Scheme	S
External Audit	T
Financial Conglomerates	U
Fitness and Propriety	V
Friendly Society – Liability Valuation	W
FSCS Management Expenses Levy Limit and Base Costs	X
General Organisational Requirements	Y
General Provisions	Z
Group Financial Support	AA
Group Risk Systems	AB
Group Supervision	AC
Groups	AD
Housing	AE
Incoming Firms & Third Country Firms	AF
Insurance – Allocation of Responsibilities	AG
Insurance - Certification	AH
Insurance – Conduct Standards	AI
Insurance – Fitness and Propriety	AJ
Insurance – Senior Management Functions	AK
Insurance – Senior Managers Regime – Applications and Notifications	AL
Insurance – Supervised Run-off	AM
Insurance Company – Exposure Limits	AN
Insurance Company – Technical Provisions	AO
Insurance General Application	AP
Internal Capital Adequacy Assessment	AQ
Internal Governance of Third Country Branches	AR
Internal Liquidity Adequacy Assessment	AS
Large Exposures	AT
Leverage Ratio	AU
Liquidity Coverage Requirement – UK Designated Investment Firms	AV
Minimum Capital Requirement	AW
Notifications	AX
Outsourcing	AY
Passporting	AZ
Policyholder Protection	BA
Public Disclosures	BB
Record Keeping	BC
Recovery Plans	BD
Regulatory Reporting	BE
Regulatory Reporting	BF
Related Party Transaction Risk	BG

Remuneration	BH
Reporting	BI
Reporting Leverage Ratio	BJ
Reporting Pillar 2	BK
Resolution Pack	BL
Ring-Fenced Bodies	BM
Risk Control	BN
Run-Off Operations	BO
Senior Management Functions	BP
Senior Managers Regime – Applications and Notifications	BQ
Skills, Knowledge & Expertise	BR
Stay In Resolution	BS
Supervised Run-Off	BT
Technical Provisions	BU
Third Country Branches	BV
Transitional Measures	BW
Undertakings in Difficulty	BX

Commencement

- I. Subject to J below, this instrument comes into force on *exit day*, as defined in European Union (Withdrawal) Act 2018.
- J. Annex BF comes into force on 1 July 2019.

Citation

- K. This instrument may be cited as the PRA Rulebook: (EU Exit) Instrument 2019.

By order of the Prudential Regulation Committee

9 April 2019

Annex A

Amendments to the Glossary

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

alternative investment fund ~~has the meaning given in article 4(1)(a) of AIFMD~~ means a collective investment undertaking, including investment compartments thereof which:

- (a) raises capital from a number of investors, with the intention of investing it in accordance with a defined investment policy for the benefit of those investors; and
- (b) does not require authorisation pursuant to article 5 of the UCITS Directive.

alternative investment fund manager ~~has the meaning given in article 4(1)(b) of AIFMD~~ means a legal person whose regular business is managing one or more alternative investment funds.

...

ancillary own funds

- (1) (in relation to a *UK Solvency II firm* and Lloyd's) has the meaning given in *Own Funds* 2.3 and are determined in accordance with *Own Funds* 2.3 to 2.7; or
- ~~(2) (in relation to a *Solvency II undertaking* other than a *UK Solvency II firm*) means an *own funds* item referred to in Article 89 of the *Solvency II Directive*, determined in accordance with the applicable *Solvency II EEA implementing measures*; or~~
- ~~(3)~~(2) (in relation to an *insurance holding company*) means an *own funds* item referred to in Article 89 of the *Solvency II Directive*, determined in accordance with (1) as if it were a *UK Solvency II firm*; or
- ~~(4)~~(3) (in relation to a *third country branch undertaking*) means an *own funds* item referred to in Article 89 of the *Solvency II Directive*, determined in accordance with (1) as if it were a *UK Solvency II firm*.

ancillary service means any of the services ~~listed in Section B of Annex I to MiFID II~~ listed in Part 3A of Schedule 2 to the *Regulated Activities Order*.

...

approved credit institution means a *credit institution* recognised or permitted under the law of the UK ~~an EEA State~~ to carry on any of the activities set out in Annex 1 to the *CRD*.

...

approved financial institution means any of the following:

...

(12) the *EU*; ~~and~~

(13) the European Atomic Energy Community; and

(14) the *Bank of England*.

...

approved State

means any of the following:

(A1) the *UK*

(1) an *EEA state*;

(2) The United States of America;

(3) Canada;

(4) Japan; or

(5) Australia,

other than when that country has rescheduled its external debt.

...

~~Article 12(1) relationship~~

~~means a relationship where *undertakings* are linked by a relationship within the meaning of Article 12(1) of Directive 83/349 EEC.~~

...

asset management company

means a management company within the meaning of Article 2(1)(b) of the *UCITS Directive*, ~~as well as~~ an *undertaking with a Part 4A permission* under Article 51ZA of the *Regulated Activities Order (Managing a UCITS)* or an *undertaking*, the registered office of which is ~~not in an *EEA State* outside the *UK* and which would require authorisation in accordance with Article 6(1) of the *UCITS Directive* such permission if it had its registered office within an *EEA State*~~ the *UK*.

...

bank

means:

(1) — a firm with a *Part 4A permission* to carry on the *regulated activity* of *accepting deposits* and is a *credit institution*, but is not a *credit union*, *friendly society* or a *building society*; ~~;~~

(2) — ~~an *EEA bank*.~~

...

basic own funds ...

~~(2)~~ (in relation to a *Solvency II undertaking* other than a *UK Solvency II firm*) means an *own funds* item referred to in Article 88 of the *Solvency II Directive*, determined in accordance with the applicable *Solvency II EEA implementing measures*; or

~~(3)~~(2) (in relation to an *insurance holding company*) means an *own funds* item referred to in Article 88 of the *Solvency II Directive*, determined in accordance with (1) as if it were a *UK Solvency II firm*; or

~~(4)~~(3) (in relation to a *third country branch undertaking*) means an *own funds* item referred to in article 88 of the *Solvency II Directive*, determined in accordance with (1) as if it were a *UK Solvency II firm*.

...

branch

means

(1) (in relation to a *credit institution*):

~~(a)~~ a place of business which forms a legally dependent part of a *credit institution* and which carries out directly all or some of the transactions inherent in the business of *credit institutions*.

~~(b)~~ for the purposes of the *CRD* and in accordance with Article 38 of the *CRD*, any number of places of business set up in the same *EEA State* by a *credit institution* with headquarters in another *EEA State* are to be regarded as a single *branch*.

(2) (in relation to an *investment firm*) has the meaning given in Article 4(1)(30) of *MiFID II* a place of business which:

(a) is not the firm's head office;

(b) is part of the firm;

(c) has no legal personality; and

(d) provides investment services and/or activities; and

(e) may also perform ancillary services for which the investment firm has permission under Part 4A of FSMA.

(3) (in relation to an *insurance undertaking*) any permanent presence of the *insurance undertaking* in the *UK* ~~an *EEA State* other than that in which it has its head office is to be~~

regarded as a single ~~branch~~, whether that presence consists of a single office which, or two or more offices each of which:

...

(4) (in relation to an *IDD insurance intermediary*):

(a) — a place of business which is a part of an *IDD insurance intermediary*, not being the principal place of business, which has no separate legal personality and which provides *insurance distribution* for which the *IDD insurance intermediary* has been registered.

~~(b) — for the purposes of the *Insurance Distribution Directive*, all the places of business set up in the same *EEA State* by an *IMD insurance intermediary* with headquarters in another *EEA State* are to be regarded as a single *branch*.~~

(5) (in relation to an *IDD reinsurance intermediary*):

(a) — a place of business which is a part of an *IDD reinsurance intermediary*, not being the principal place of business, which has no separate legal personality and which provides *reinsurance distribution* for which the *IDD reinsurance intermediary* has been registered.

~~(b) — for the purposes of the *Insurance Distribution Directive*, all the places of business set up in the same *EEA State* by an *IDD reinsurance intermediary* with headquarters in another *EEA State* are to be regarded as a single *branch*.~~

...

certification function

means:

(1) for a *CRR firm*, a *credit union* and a *third country CRR firm* in relation to the activities of its establishment in the *UK* or if it does not have an establishment in the *UK* its activities in the *UK*, has the meaning given in Certification 2.2 – 2.4;

(2) for a *UK Solvency II firm*, the *Society*, a *managing agent*, a *third country branch undertaking* (other than a *Swiss general insurer*) and a *UK ISPV* has the meaning given in Insurance – Certification 2;

(3) for a *large non-directive insurer* and a *Swiss general insurer* has the meaning given in Large Non-Solvency II Firms – Certification 2; and

(4) for a *small non-directive insurer* has the meaning given in Non-solvency II Firms – Certification 2.

...

<u>common management relationship</u>	means	
		1) <u>(in the CRR firms and Non-CRR firms sectors of the PRA Rulebook) has the meaning given in Article 4(1) CRR</u>
		2) <u>(in the Solvency II firms and Non-Solvency II firms sectors of the PRA Rulebook) has the meaning given in regulation 2 of the <i>Solvency 2 Regulations</i></u>
		3) <u>(in the Financial Conglomerates Part of the PRA Rulebook) has the meaning given in Article 4(1) CRR</u>

...

<u>Community co-insurance operation</u>	means	a co-insurance operation which relates to one or more risks classified under <i>general insurance business classes 3 to 16</i> and which fulfils the conditions set out in Article 190(1)(a) to (f) of the <i>Solvency II Directive</i>.
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...

<u>compensation funds</u>	means	any <i>policyholder</i> compensation scheme in any EEA State <u>in the UK.</u>
----------------------------------	-------	---

...

<u>competent authority</u>	means	
		(1) <u>the PRA, in respect of <i>PRA-authorised persons</i> within the meaning of section 2B(5) of <i>FSMA</i>;</u>
		(2) <u>in relation to a <i>MiFID investment firm</i> the authority designated before <i>exit day</i> by each EEA State <u>the UK</u> in accordance with Article 67 of <i>MiFID II</i>₁₇; unless otherwise specified in <i>MiFID II</i>.</u>
		(3) <u>the FCA, in respect of any other <i>person</i>;</u>

...

<u>conduct standards</u>	(1)	for a UK Solvency II firm, the <i>Society</i> , a <i>managing agent</i> and a <i>UK ISPV</i> , means the standards of expected conduct specified in <i>Insurance – Conduct Standards 3</i> ;
	(2)	for a <i>third country branch undertaking</i> (other than a UK deposit insurer or a <i>Swiss general insurer</i>), means the standards of expected conduct specified in <i>Insurance – Conduct Standards 3.1 to 3.3</i> and, taking account only of matters relevant to the operations of the <i>third country branch</i> , <i>Insurance – Conduct Standards 3.4 to 3.8</i> ;

- ~~(3)~~ — for a *UK deposit insurer*, means the standards of expected conduct specified in *Insurance – Conduct Standards 3.1 to 3.3* and, taking account only of matters relevant to the operations of the *third country branch* and all the *third country undertaking EEA branches*, *Insurance – Conduct Standards 3.4 to 3.8*;
- ~~(4)~~(3) for a *small non-directive insurer*, means the standards of expected conduct specified in *Non-Solvency II Firms - Conduct Standards 2*;
- ~~(5)~~(4) for a *large non-directive insurer*, means the standards of expected conduct specified in *Large Non-Solvency II Firms - Conduct Standards 3*; and
- ~~(6)~~(5) for a *Swiss general insurer*, means the standards of expected conduct specified in *Large Non-Solvency II Firms - Conduct Standards 3* taking account only of matters relevant to the operations of the *third country branch*.

...

consolidating supervisor

means the *competent authority* responsible for the exercise of supervision on a *consolidated basis* of:

- (1) a *UK parent institution*, or
- (2) an institution controlled by a *UK parent financial holding company* or *UK parent mixed financial holding company*.

...

control

(in the *Solvency II Firms Sector* of the *PRA Rulebook*) means the relationship between a *parent undertaking* and a *subsidiary undertaking* where that relationship falls within (1) to ~~(7)~~ (6) of the definition of *parent undertaking*, or a similar relationship between any *person* and an *undertaking*.

...

coordinator

~~means, in relation to a *financial conglomerate*, the *competent authority* appointed as *coordinator* in accordance with Article 10(1) of the *Financial Groups Directive* has the meaning given in regulation 1(2) of *The Financial Conglomerates Regulations*.~~

...

covered bonds

means a *debenture* that is issued by a *credit institution* which:

- (1) has its head office in the UK or ~~an EEA State~~; and

...

...

CRD credit institution means a *credit institution* that has its registered office (or, if it has no registered office, its head office) in the UK an EEA State, (excluding an institution to which the *CRD* does not apply under Article 2 of the *CRD*).

...

credit risk means the risk of loss, or of adverse change, in the financial situation, resulting from fluctuations in the credit standing of issuers of *securities*, counterparties and any debtors to which a ~~*Solvency II undertaking*~~ *UK Solvency II firm* is exposed, in the form of *counterparty default risk*, or *spread risk*, or *market risk* concentrations.

...

~~**cross border services**~~ means:

- (1) ~~(in relation to a *UK firm*) services provided within an *EEA State* other than the *UK* under the freedom to provide services; and~~
- (2) ~~(in relation to an *incoming EEA firm* or an *incoming Treaty firm*) services provided within the *UK* under the freedom to provide services.~~

...

direct EU legislation has the meaning given in section 3(2) of the European Union (Withdrawal) Act 2018.

...

~~**EEA bank**~~ means an ~~*incoming EEA firm*~~ that is a ~~*CRD credit institution*~~.

~~**EEA parent financial holding company**~~ means a ~~*parent financial holding company in an EEA State*~~ which is not a ~~*subsidiary of an institution authorised in any EEA State or of another financial holding company or mixed financial holding company set up in any EEA State.*~~

~~**EEA parent institution**~~ means a ~~*parent institution in an EEA State*~~ which is not a ~~*subsidiary of another institution authorised in an EEA State or of a financial holding company or mixed financial holding company set up in any EEA State.*~~

~~**EEA parent mixed financial holding company**~~ means a ~~*parent mixed financial holding company in an EEA State*~~ which is not a ~~*subsidiary of an institution authorised in any EEA State or of another financial holding company or mixed financial holding company set up in any EEA State.*~~

...

eligible own funds means:

...

~~(7) as to compliance with the EEA SCR, means the aggregate of the third country branch undertaking's:~~

~~(a) Tier 1 own funds; and~~

~~(b) (i) Tier 2 own funds; and~~

~~(ii) Tier 3 own funds~~

~~that satisfy the limits in Own Funds 4.1, as if references to the "SCR" in those provisions were references to the EEA SCR; and the limits in the Solvency II Regulations.~~

~~(8) as to compliance with the EEA MCR, means the aggregate of the third country branch undertaking's:~~

~~(a) Tier 1 own funds; and~~

~~(b) Tier 2 basic own funds that satisfy the limits in Own Funds 4.2, as if references to the "MCR" in those provisions were references to the EEA MCR; and the limits in the Solvency II Regulations.~~

...

EU-derived domestic legislation

has the meaning given in section 2(2) of the European Union (Withdrawal) Act 2018.

EU directive

has the meaning given in section 20(1) of the European Union (Withdrawal) Act 2018.

EU instrument

has the meaning given in Part II of Schedule 1 to the European Communities Act 1972.

...

exit day

has the meaning given in section 20(1) of the European Union (Withdrawal) Act 2018.

...

Financial Conglomerates Regulations

means the Financial Conglomerates and Other Financial Groups Regulations 2004 (SI 2004/1862).

...

financial instruments

means the those instruments specified in Section C of Annex I to MiFID II Part 1 of Schedule 2 to the Regulated Activities Order, read with Part 2 of that Schedule.

...

group (in the *Solvency II Firms Sector* of the *PRA Rulebook*) means a *group of undertakings* that:

(1) consists of a *participating undertaking*, its *subsidiary undertakings* and the *undertakings* in which it holds a *participation*, as well as *undertakings* linked to each other by ~~an Article 12(1) relationship~~ a common management relationship; or

...

home Member State has the meaning given in Article 4(1)(43) of the *CRR*.

...

incoming EEA firm ~~means an EEA firm which is exercising, or has exercised, its right to carry on a regulated activity in the UK in accordance with Schedule 3 of FSMA.~~

incoming firm means an incoming firm within the meaning of section 193 of *FSMA*.

incoming Treaty firm means a *Treaty firm* which is exercising, or has exercised, its right to carry on a *regulated activity* in the *UK* in accordance with Schedule 4 of *FSMA*.

...

insurance holding company means a *parent undertaking*, other than a *Solvency II undertaking UK Solvency II firm* and a *mixed financial holding company*, the main business of which is to acquire and hold *participations* in *subsidiary undertakings* and which fulfils the following conditions:

- (1) its *subsidiary undertakings* are either exclusively or mainly ~~*Solvency II undertakings*~~ *UK Solvency II firms*, *third country insurance undertakings* or *third country reinsurance undertakings*; and
- (2) at least one of those *subsidiary undertakings* is a ~~*Solvency II undertaking UK Solvency II firm*~~.

...

investment services and/or activities means any of the services and activities listed in ~~Section A of Annex I to MiFID~~ Part 3 of Schedule 2 to the *Regulated Activities Order*, insofar as they relate to any of the instruments listed in Part I of Schedule 2 to that Order.

...

intra-group transaction ~~has the meaning given in point (18) of Article 2 of the *Financial Groups Directive*.~~ means all transactions by which regulated entities within a *financial conglomerate* rely directly or indirectly on other *undertakings* within the same *group* or on any natural or legal person

linked to the undertakings within that group by close links, for the fulfilment of an obligation, whether or not contractual, and whether or not for payment.

...

key function

...

~~(2) — in relation to a *third country branch undertaking* means, in relation to the carrying on of a *regulated activity* by the *third country branch undertaking*, each of the following *functions* performed in relation to the operations effected by the *third country branch* or, for a *UK deposit insurer*, in relation to the operations effected by the *third country branch* and all the *third country undertaking EEA branches*:~~

(2) in relation to a *third country branch undertaking* means, in relation to the carrying on of a *regulated activity* by the *third country branch undertaking*, each of the following *functions* performed in relation to the operations effected by the *third country branch*:

...

(g) any other *function* which is of specific importance to the sound and prudent management of the *third country branch*; or, for a *UK deposit insurer*, the operations effected by the *third country branch* and all the *third country undertaking EEA branches*.

(3) in relation to a *third country insurance service provider* means, in relation to the carrying on of a *regulated activity* by the *third country insurance services provider* in the *UK*:

(a) the *risk-management function*;

(b) the *compliance function*;

(c) the *internal audit function*;

(d) the *actuarial function*;

(e) the *function* of effectively running the operations effected by the *third country insurance services provider*; and

(f) any other *function* which is of specific importance to the sound and prudent management of the *third country insurance services provider*

...

leading insurer

means (in relation to a *Community co-insurance operation*) a co-insurer that assumes the leader's role in co-insurance practice and in

~~particular determines the terms and conditions of insurance and rating~~

...

listed

means:

- (1) included in ~~an~~ the official list, or
- (2) in respect of which facilities for *dealing* on a *regulated market* have been granted.

...

matching adjustment

means the adjustment to the *relevant risk-free interest rate term structure* to calculate the *best estimate* of a *relevant portfolio of insurance or reinsurance obligations* in accordance with:

- (1) *Technical Provisions* 6 and 7;
- (2) the *Solvency II Regulations* adopted under Article 86(1)(h) - (i) of the *Solvency II Directive*; ~~and~~
- (3) where a reporting reference date falls before *exit day*, any the relevant technical information made by EIOPA under Article 77e(1)(b) of the *Solvency II Directive* and adopted in the *Solvency II Regulations* under Article 77e(2) of the *Solvency II Directive*; and-
- (4) where a reporting reference date falls on or after *exit day*, the relevant technical information published by the PRA in accordance with regulation 4B(6) of the *Solvency 2 Regulations*.

...

MiFID investment firm

means a ~~firm to which MiFID applies~~ has the meaning given in paragraph 2.1A of MiFIR.

...

mixed financial holding company

~~(in the *Solvency II Firms Sector* of the PRA Rulebook) means a *mixed financial holding company* as defined in Article 2(15) of Directive 2002/87/EC on the supplementary supervision of *credit institutions, insurance undertakings and investment firms* in a *financial conglomerate* means a *parent undertaking* other than a regulated entity, which together with its *subsidiaries*, at least one of which is a regulated entity which has its head office in the UK, and other entities constitutes a *financial conglomerate*.~~

...

MTF

~~has the meaning given in Article 4(1)(22) *MiFID II*.~~ means a multilateral system, operated by an *investment firm* or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance

with non-discretionary rules – in a way that results in a contract in accordance with provisions implementing Title II of MiFID II.

...

mutual-type group

...

- (2) the establishment and dissolution of such relationships ~~for the purposes of Title III of the Solvency II Directive~~ are subject to prior approval by the ~~group supervisor, PRA,~~

where the *undertaking* exercising the centralised coordination shall be considered as the *parent undertaking*, and the other *undertakings* shall be considered as *subsidiary undertakings*.

...

non-directive firm

means in accordance with the Financial Services and Markets Act 2000 (Controllers)(Exemption) Order 2009 a *UK domestic firm* other than:

- (1) a *credit institution* authorised under provisions which implemented the Banking Consolidation Directive;
- (2) an *investment firm* authorised under provisions which implemented MiFID II;
- (3) a management company as defined in article 2(1)(b) of the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to *undertakings for collective investment in transferable securities (UCITS)* (No 2009/65/EC), 1 2, 3, 4, as amended (the *UCITS Directive*), authorised under provisions which implemented that directive;
- (4) a ~~Solvency II undertaking~~ UK Solvency II firm, the *Society* and *managing agents*.

...

non-directive insurer

means a *firm* with a *Part 4A permission to effect contracts of insurance or carry out contracts of insurance*, other than

- (1) a *UK Solvency II firm*; ~~and~~
- (2) a *third country branch undertaking*; or
- (3) where the firm has the permission by reason only of the operation of the EEA Passport Rights (Amendment etc., and Transitional Provisions) (EU Exit) Regulations 2018

...

non-UCITS retail scheme

means an *ICVC*, *authorised unit trust scheme*, or an *authorised contractual scheme* which is not a *collective investment scheme*

falling within provisions implementing the UCITS Directive or a qualified investor scheme.

...

official list

means:

(1) — the list maintained by the *FCA* in accordance with section 74(1) of *FSMA* for the purposes of Part VI of *FSMA*; ~~and~~

(2) — ~~any corresponding list maintained by a competent authority for listing in another EEA State.~~

...

OTF

means a multilateral system which is not a regulated market or an *MTF* and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with provisions implementing Title II of *MiFID II*.

...

overseas regulator

means a regulator outside the United Kingdom.

own funds

...

(2) — ~~(in relation to a *Solvency II undertaking* other than a *UK Solvency II firm*) own funds determined in accordance with *Solvency II EEA implementing measures*; or~~

(3)(2) (in relation to an *insurance holding company*) own funds determined in accordance with (1) as if it were a *UK Solvency II firm*; or

(4)(3) (in relation to a *third country branch undertaking*) the firm's aggregate *basic own funds* and *ancillary own funds* as determined in accordance with (1) as if it were a *UK Solvency II firm*.

parent undertaking

...

(7) — ~~(except as the *Group Supervision Part* of the *PRA Rulebook* applies to *members* of the *Society* or to the *Society* or *managing agents* in respect of *members*) it is incorporated in or formed under the law of another *EEA State* and is a *parent undertaking* within the meaning of any rule of law in that *EEA State* for purposes connected with implementation of the Council Directive of 13 June 1983 on consolidated accounts (No 83/349/EEC); or~~

~~(8)~~(7) where, in accordance with Article 212(2) of the *Solvency II Directive*, the opinion of the *PRA*, it effectively exercises a dominant influence over S;

and:

~~(9)~~(8) in relation to (2) and (4), the *undertaking* will be treated as a member of S if any of its *subsidiary undertakings* is a member of S, or if any *shares* in S are held by a person acting on behalf of the *undertaking* or any of its *subsidiary undertakings*;

~~(10)~~(9) the provisions of Schedule 7 to the Companies Act 2006 (Parent and subsidiary undertakings: supplementary provisions) explain the expressions used in and supplement paragraphs (1) to (6).

...

participating Solvency II undertaking

means a *Solvency II undertaking* that holds a *participation* in another *undertaking*.

participating UK Solvency II firm

means a *UK Solvency II firm* that holds a *participation* in another *undertaking*.

participating undertaking

means an *undertaking* that holds a *participation* in another *undertaking* or an *undertaking* linked with another *undertaking* by an Article 12(1) relationship a *common management relationship*.

participation

...

(2) where, in accordance with Article 212(2) of the *Solvency II Directive*, the definition of 'participating undertaking' in Regulation 2(1) of the *Solvency 2 Regulations*, an *undertaking* effectively exercises a significant influence over another *undertaking*.

...

passport activity

means an activity carried on by an *EEA firm* or by a *UK firm*, under an *EEA right*

...

policyholder

either:

(1) means, in respect of a *contract of insurance* where the *insurance undertaking* is a ~~*Solvency II undertaking*~~ *UK Solvency II firm*, a *policyholder* which includes a *beneficiary*;

or

...

...

PRA senior management function

means

...

- (5) (in respect of a third country insurance service provider in relation to the carrying on by the firm of a regulated activity in the UK) any function specified in Insurance – Senior Management Functions 3 to 10.

...

regulated institution

means any of the following:

- (1) ~~a Solvency II undertaking~~ UK Solvency II firm, the Society, a managing agent or a third country branch undertaking; or

...

regulated market

means:

- (1) ~~a regulated market as defined in article 4(1)(21) of MiFID II~~ (as defined in Article 2(1)(13) of MiFIR); or
- (2) a market situated outside the ~~EEA States~~ UK which is characterised by the fact that:

...

regulatory system

means the arrangements for regulating a *firm* or other *person* in or under FSMA, the Bank of England Act 1998, the Banking Act 2009, the Friendly Societies Act 1974, the Friendly Societies Act 1992, the Credit Unions Act 1979, including the *threshold conditions*, the *Fundamental Rules* and other rules, the *Statements of Principle*, codes and guidance given by the PRA, the Bank of England or the FCA and including any relevant ~~directly applicable~~ provisions of an ~~EU Directive or~~ Regulation including those specified under section 204A(2) of FSMA.

...

relevant insurance group undertaking

means, in relation to a *group* falling within Group Supervision 2.1(1) or 2.1(2), each ~~UK Solvency II undertaking~~ UK Solvency II firm within that *group*.

relevant insurer

~~means, in relation to a Community co-insurance operation, an insurer which is concerned in the operation but is not the leading insurer.~~

relevant risk-free interest rate term structure

means the *relevant risk-free interest rate term structure*, in accordance with:

- (1) *Technical Provisions 5 and 8.3 to 8.4;*

- (2) the *Solvency II Regulations* adopted under Article 86 of the *Solvency II Directive*; and
- (3) where a reporting reference date falls;
- (a) before *exit day*, any in accordance with the relevant technical information made by EIOPA under Article 77e(1)(a) of the *Solvency II Directive* and adopted in *Solvency II Regulations* under Article 77e(2) of the *Solvency II Directive*;
- (b) on or after *exit day*, the relevant technical information made by the PRA in accordance with regulation 4B(6) of the *Solvency II Regulations 2015*.

...

retained direct EU legislation

has the meaning given in section 20(1) of the European Union (Withdrawal) Act 2018.

retained EU law

has the meaning given in section 6(7) of the European Union (Withdrawal) Act 2018.

...

risk concentration

has the meaning given in point (18) of Article 2 of the *Financial Groups Directive* means all risk exposures with a loss potential which is large enough to threaten the solvency or the financial position in general of the regulated entities in a *financial conglomerate*, whether such exposures are caused by counterparty risk/*credit risk*, investment risk, insurance risk, *market risk*, other risks, or a combination or interaction of such risks

risk-mitigation techniques

means all techniques which enable a *Solvency II undertaking-UK Solvency II firm* to transfer part or all of its risks to another party.

...

section 59ZZA

means:

- (1) in relation to a *SRO firm*, section 59ZZA of FSMA as applied to such a *firm* by regulation 69 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulation 2018 and
- (2) in all other cases, section 59ZZA of FSMA.

section 59ZZA application

means an application under section 60 of FSMA to the PRA made by an *authorised person* who could be given a notice under section 59ZZA of FSMA in relation to the *person* subject to the application,

significant deviation from

means a significant deviation from the assumptions underlying the

relevant assumptions	matching adjustment or the volatility adjustment or the transitional measures referred to in Articles 308c and 308d of the Solvency II Directive means a significant deviation from the assumptions underlying the <u>matching adjustment, the volatility adjustment, the risk-free interest rate transitional measure or the transitional deduction.</u>
Solvency II EEA implementing measures	means any measures implementing the <u>Solvency II Directive</u> in an <u>EEA State</u> other than the <u>UK</u> .
...	
Solvency II special purpose vehicle	means an <u>undertaking</u> , whether incorporated or not, other than a <u>Solvency II undertaking UK Solvency II firm</u> , which has received authorisation from the <u>PRA</u> in accordance with Article 211(1) or (3) of the <u>Solvency II Directive</u> and which: <ol style="list-style-type: none"> (1) assumes risks from <u>Solvency II undertakings UK Solvency II firms</u>; and (2) fully funds its exposures to such risks through the proceeds of a debt issuance or some other financing mechanism where the repayment rights of the providers of such debt or other financing mechanism are subordinated to the undertaking's obligations to the <u>Solvency II undertaking UK Solvency II firm</u> in respect of the risks referred to in (1).
...	
Solvency II undertaking	means: <ol style="list-style-type: none"> (1) an undertaking authorised in accordance with Solvency II EEA implementing measures transposing Article 14 of the Solvency II Directive; or (2) a UK Solvency II firm.
...	
<u>SRO firm</u>	means a <u>firm</u> to whom regulation 28 or 34 of Part 6 of the <u>EEA Passport Rights (Amendment etc. and Transitional Provisions (EU Exit) Regulations 2018</u> applies.
<u>SRO insurer</u>	means a <u>SRO firm</u> with permission to effect contracts of insurance or carry out contracts of insurance
...	
<u>State aid</u>	means any aid granted by an <u>EEA State</u> or through an <u>EEA State's</u> resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods and which affects trade between <u>EEA States</u> . <u>means any aid granted by the state or through state resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the</u>

	<u>production of certain goods and which affects trade between the United Kingdom and the European Union.</u>
supervisory authority	means a national authority or the national authorities empowered by law or regulation of the UK an EEA State to supervise Solvency II undertakings <u>UK Solvency II firms</u> for the purposes of the provisions implementing the <u>Solvency II Directive</u> , including being the PRA and FCA.
...	
third country	means any country or territory or country other than the United Kingdom that is not an EEA State.
third country CRR firm	means an <i>overseas firm</i> that <ul style="list-style-type: none"> (1) is not an EEA firm; (2) has its head office outside the European Economic Area; and (3) would be a CRR firm if it had been a UK undertaking, had carried on all of its business in the UK and had obtained whatever authorisations for doing so as are required under FSMA.
third country firm	means an <i>overseas firm</i> , that is not an incoming firm.
...	
<u>third country insurance services provider</u>	<u>means a third country insurance undertaking that has a permission to effect contracts of insurance or carry out contracts of insurance in the UK and does not have a permanent presence in the UK.</u>
third country insurance undertaking	means an <i>undertaking</i> that has its head office outside the EEA <u>UK</u> and that would require authorisation as an <i>insurance undertaking</i> in accordance with <u>provisions implementing</u> Article 14 of the <i>Solvency II Directive</i> if its head office was situated in the EEA <u>UK</u> .
third country investment firm	a <i>firm</i> which would be a <i>MIFID investment firm</i> if it had its head office in the EEA <u>UK</u> .
...	
third country reinsurance undertaking	means an <i>undertaking</i> that has its head office outside the EEA <u>UK</u> and that would require authorisation as a <i>reinsurance undertaking</i> in accordance with <u>provisions implementing</u> Article 14 of the <i>Solvency II Directive</i> if its head office was situated in the EEA <u>UK</u> .
third country undertaking EEA branch	means a permanent presence of a <i>third country insurance undertaking</i> in an EEA State except the UK , which has received authorisation in accordance with Article 162 of the Solvency II Directive .

...

top-up permission

means a Part 4A permission given to an *incoming EEA firm* or an *incoming Treaty firm*

...

UCITS

undertakings for collective investment in transferable securities that are established in accordance with the *UCITS Directive*.

- (1) an undertaking:
- (a) with the sole object of collective investment in transferable securities or in other liquid financial instruments of capital raised from the public and which operate on the principle of risk-spreading; and
- (b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (and for these purposes, action taken by the undertaking to ensure that the stock exchange value of its units does not significantly vary from their asset value is to be regarded as equivalent to such repurchase or redemption)
- (2) undertakings for collective investment in transferable securities that are established in the European Economic Area in accordance with the UCITS Directive.

UK-adopted international accounting standards

has the meaning given to it in section 474(1) of the Companies Act 2006.

...

UK-deposit insurer

means a *third country branch undertaking* that has made a *deposit* in the *UK* under Article 162(2)(e) of the *Solvency II Directive* in accordance with Article 167 of the *Solvency II Directive*.

UK firm

- (1) has the meaning given in paragraph 10 of Schedule 3 to *FSMA* (EEA Passport Rights);
- (2) in the Depositor Protection part and Policyholder Protection part, means an authorised person who:
- (a) has permission given under Part 4A of FSMA to carry on regulated activities that consist of or include one or more PRA-regulated activities; and
- (b) is incorporated in the UK.

UK parent financial

means a parent financial holding company in the UK which is not

- holding company** itself a subsidiary of an institution authorised in the UK, or of a financial holding company or mixed financial holding company set up in the UK.
- UK parent institution** means a parent institution authorised in the UK which has an institution or financial institution as subsidiary or which holds a participation in such an institution or financial institution, and which is not itself a subsidiary of another institution authorised in the UK or of a financial holding company or mixed financial holding company set up in the UK.
- UK parent mixed financial holding company** means a mixed financial holding company in the UK which is not itself a subsidiary of an institution authorised in the UK, or of a financial holding company or mixed financial holding company set up in the UK.
- UK parent undertaking** means a UK parent institution, a UK parent financial holding company or a UK parent mixed financial holding company.
- volatility adjustment** means the adjustment to the *relevant risk-free interest rate term structure* to calculate the best estimate ~~in accordance with:~~
- (1) in accordance with the Solvency II Regulations adopted under Article 86(1)(j) of the Solvency II Directive; and
- (2) (a) where a reporting reference date falls before exit day, ~~any~~ in accordance with the relevant technical information made by EIOPA under Article 77e(1)(c) of the Solvency II Directive and adopted in Solvency II Regulations under Article 77e(2) of the Solvency II Directive; ~~or -~~
- (b) where a reporting reference date falls on or after exit day, in accordance with the relevant technical information published by the PRA in accordance with regulation 4B(6) of the Solvency 2 Regulations.

Annex B

Amendments to the Interpretation Part

In this Annex new text is underlined.

...

2 INTERPRETATIVE PROVISIONS

...

2.7 Unless the context otherwise requires, any reference in these rules-

- (1) to any provision of direct EU legislation, is a reference to it as it has effect as *retained direct EU legislation on exit day*;
- (2) to an *EU directive* is a reference to the directive as it had effect in EU law immediately before *exit day*;
- (3) to the implementation or transposition of provisions of an *EU directive*, is a reference to the provisions of *EU-derived domestic legislation* which were relied on before *exit day* for that implementation or transposition;
- (4) to an enactment which has been amended on or before *exit day* by regulations made under section 8 of the European Union (Withdrawal) Act 2018, is a reference to that enactment as so amended.

2.8

- (1) The PRA Rulebook shall, after *exit day*, be construed, unless the contrary intention appears, as conferring rights and imposing obligations in relation to or in connection with Gibraltar corresponding to those which existed immediately before *exit day*.
- (2) Accordingly, any provision of the PRA Rulebook which immediately before *exit day* applied in relation to or in connection with Gibraltar shall, with any necessary modification to give effect to that corresponding right or obligation, continue to apply after *exit day*; and any provision which did not so apply shall continue not to apply, unless provision indicating a contrary intention is made.
- (3) In this rule reference to Gibraltar includes, but is not limited to, rights or obligations conferred or imposed in relation to or in connection with Gibraltar-based firms, public institutions established, persons resident, body corporates incorporated in Gibraltar and activities of UK firms in Gibraltar.
- (4) This rule does not apply to the Depositor Protection and Policyholder Protection Parts (which contain their own application provisions for Gibraltar-based firms).
- (5) In this rule 'a *Gibraltar-based firm*' has the same meaning as in the Financial Services and Markets Act (Gibraltar) Order 2001.

Annex C

Amendments to the Fundamental Rules Part

In this Annex deleted text is struck through.

3 RESTRICTIONS

- 3.1 The *Fundamental Rules* apply to every *firm*, ~~except that:~~
- (1) ~~for an *incoming firm*, the *Fundamental Rules* apply only in so far as responsibility for the matter in question is not reserved by an *EU instrument* to the firm's *home state regulator*;~~
 - (2) ~~for an *incoming EEA firm* that is a *credit institution* without a *top-up permission*, *Fundamental Rule 4* does not apply; and~~
 - (3) ~~for an *incoming EEA firm* that has *permission* only for *cross border services* and does not carry on *regulated activities* in the *UK*, the *Fundamental Rules* do not apply.~~
- 3.2 A *firm* will not be subject to a *Fundamental Rule* to the extent that it would be contrary to the *UK's obligations* under *EU legislation*. ~~[Deleted.]~~

...

Annex D

Amendments to the Algorithmic Trading Part

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

1 APPLICATION AND DEFINITIONS

...

1.3 In this Part, the following definitions shall apply:

<i>Algorithmic trading</i>	has the meaning given in Article 4(1)(39) of MiFID II. <u>means trading in financial instruments where a computer algorithm automatically determines individual parameters of orders such as whether to initiate the order, the timing, price or quantity of the order or how to manage the order after its submission, with limited or no human intervention, and does not include any system that is only used for the purpose of routing orders to one or more trading venues or for the processing of orders involving no determination of any trading parameters or for the confirmation of orders or the post-trade processing of executed transactions.</u>
<i>direct electronic access</i>	has the meaning given in Article 4(1)(41) of MiFID II. <u>means an arrangement where a member or participant or client of a trading venue permits a person to use its trading code so the person can electronically transmit orders relating to a financial instrument directly to the trading venue and includes arrangements which involve the use by a person of the infrastructure of the member or participant or client, or any connecting system provided by the member or participant or client, to transmit the orders (direct market access) and arrangements where such an infrastructure is not used by a person (sponsored access).</u>
<i>trading venue</i>	has the meaning given in Article 4(1)(24) of MiFID II. <u>means a regulated market, an MTF or an OTF.</u>

1.4 The definitions in MiFID II referred to in 1.3 shall be read on the basis that references in that directive to a 'regulated market', an 'MTF' or an 'OTF' are references to:

- (1) ~~a system falling within any of Articles 4(1)(21), (22) and (23) of MiFID II respectively;~~
and
- (2) ~~a system that is not situated in an EEA State that would have fallen within (1) had it been so situated. [deleted.]~~

Annex E

Amendments to the Allocation of Responsibilities Part

In this Annex new text is underlined.

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* that is:

- (1) a *CRR firm*;
- (2) a *credit union*; or
- (3) a *third country CRR firm* in relation to:
 - (a) the activities of its establishment in the *UK*; or
 - (b) if it does not have an establishment in the *UK*, activities in the *UK*.

1.1A This Part does not apply to a *SRO firm*.

...

1.2 In this Part, the following definitions shall apply:

~~*UK branch third country CRR firm prescribed responsibility*~~

means one of the responsibilities in 6.2 or 6.3.

...

2 STATEMENT OF RESPONSIBILITIES

2.2 A *firm* must ensure that the *statement of responsibilities* accompanying an application for approval to perform a *PRA senior management function* in relation to it includes any *prescribed responsibilities*, *small firm prescribed responsibilities*, ~~*UK branch prescribed responsibilities*~~ *third country CRR firm prescribed responsibilities*, *FCA responsibilities* and other responsibilities allocated to, and which are to form part of the responsibilities of, that *person*.

2.3 A *firm* must ensure that any responsibilities allocated to, and that form part of the responsibilities of, a *person* who performs a *PRA senior management function* in relation to it are consistent with the scope of that *PRA senior management function* and of any *prescribed responsibilities*, *small firm prescribed responsibilities*, ~~*UK branch prescribed responsibilities*~~ *third country CRR firm prescribed responsibility*, *FCA responsibilities* and other responsibilities allocated to that *person*.

...

3 ALLOCATION OF RESPONSIBILITIES

...

3.5 A *third country CRR firm* must allocate each of the ~~UK branch prescribed responsibilities~~ third country CRR firm prescribed responsibilities to one or more *persons* who perform:

- (1) a *PRA senior management function*; or
- (2) subject to 3.6(3), an *FCA designated senior management function*

on behalf of the *third country CRR firm*.

...

6 PRESCRIBED RESPONSIBILITIES: ~~UK BRANCHES~~ THIRD COUNTRY CRR FIRMS

6.1 This chapter applies only to a *third country CRR firm* in relation to

- (1) the activities of its establishment in the *UK*; or
- (2) if it does not have an establishment in the *UK*, activities in the *UK*.

6.2 ~~Subject to 6.3, Each~~ each of the responsibilities set out in this rule is a ~~UK branch prescribed responsibility~~ third country CRR firm prescribed responsibility:

- (8) responsibility for the allocation of all ~~UK branch prescribed responsibilities~~ third country CRR firm prescribed responsibilities in accordance with 3.5 (PR E);
- (11) if the *firm* has an establishment in the *UK*, responsibility for the *firm's* performance of its obligations under Internal Governance of Third Country Branches 7.

6.3 In relation to a *firm* who is treated, by virtue of the EEA Passport Rights (Amendment, etc and Transitional Provisions) (EU Exit) Regulations 2018, as having permission under Part 4A of FSMA to carry on a *regulated activity*:

- (1) the *third country CRR firm prescribed responsibilities* in 6.2 do not apply; and
- (2) each of the responsibilities set out in this rule is a *third country CRR firm prescribed responsibility*:
 - (a) responsibility for the *firm's* compliance with the *UK regulatory system* applicable to the *firm* (PR FF); and
 - (b) where the *firm* has applied for permission under Part 4A of FSMA to carry on a *regulated activity*, until such time as the application has been determined or withdrawn, the responsibility for managing the process of obtaining such permission (including, without limitation, the completion and submission of the *firm's* application and providing the *PRA* with such co-operation and with all accurate and up to date information that it

may reasonably require in order to determine whether the requirements for authorisation have been met)

7 RECORDS

...

7.2 A *management responsibilities map* must in particular include:

...

- (2) if any *PRA senior management functions* or *FCA designated senior management functions* are performed by more than one *person*, or any *prescribed responsibilities*, *small firm prescribed responsibilities* or ~~UK branch prescribed responsibilities~~ *third country CRR firm prescribed responsibilities*, as the case may be, are allocated to more than one *person*, details of how the performance or discharge of the responsibilities is to be carried out by those *persons*;

...

...

Annex F

Amendments to the Audit Committee Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 This Part does not apply to a *firm* which is a *subsidiary undertaking* of ~~an EEA a UK parent undertaking~~ where the *parent undertaking* complies at group level with Chapter 2 or with requirements implementing Article 39 of the *Statutory Audit Directive* ~~in any other EEA State~~ and, where applicable, with Articles 11(1), 11(2) and 16(5) of the *Statutory Audit Regulation*, provided that:

- (1) the *firm* is not significant; or
- (2) if the *firm* is significant, its *governing body* is composed of the same *non-executive directors* as the *governing body* of that *parent undertaking*.

...

1.4 In this Part, the following definitions shall apply:

Statutory Audit Regulation

means Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC except that any reference to Article 16 of that Regulation, shall, where and to the extent that the effect of that Article has been reproduced in any of the following enactments in relation to a category of *firm*, be a reference to that enactment in relation to that category of *firm*:

- (1) for private companies, sections 485A to 485C and 494ZA of the Companies Act 2006;
- (2) for public companies, sections 489A to 489C and 494ZA of the Companies Act 2006;
- (3) for *building societies*, paragraphs 3B to 3E of Schedule 11 to the Building Societies Act 1986;
- (4) for *friendly societies*, paragraphs 2 to 5 of Schedule 14A to the Friendly Societies Act 1992;
- (5) for limited liability partnerships, sections 485A to 485C and 494ZA of the Companies Act 2006 as applied by regulations 36 and 38A of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008;
- (6) for *insurance undertakings* within the meaning given by regulation 2 of The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008, sections 485A to 485C and 494ZA of the Companies Act 2006 as applied by regulation 6(1A) of those Regulations.

4 TRANSITIONAL PROVISIONS

...

- 4.2 Subject to 4.3, a *firm* that is not significant or is a *subsidiary undertaking* of a ~~non-EEA~~ third country parent undertaking may not have an *audit committee* until the commencement of a *firm's financial year* beginning on or after 17 June 2018 if its *governing body* is performing equivalent *functions* to an *audit committee*. In such a case 2.2 (1), 2.2 (2), 2.2 (5), 2.2 (6) and 2.2 (7) shall not apply, and the *firm* must disclose that the *governing body* carries out the *audit committee's functions* and how its *governing body* is composed.
- 4.3 Until the commencement of a *firm's financial year* beginning on or after 17 June 2018, where all *members* of the *audit committee* are *members* of the *governing body* of a *firm* that is not significant or is a *subsidiary undertaking* of a ~~non-EEA~~ third country parent undertaking, the *audit committee* is to be exempt from the independence requirements laid down in 2.2 (5), 2.2 (6) and 2.2 (7).
- 4.4 Chapter 2 shall not apply to a significant *firm* which is a *subsidiary undertaking* of an ~~EEA~~ a UK parent undertaking until the commencement of a *firm's financial year* beginning on or after 17 June 2018, where the *parent undertaking* complies at *group* level with Chapter 2 or with requirements implementing Article 39 of the *Statutory Audit Directive* in ~~any other EEA State~~ and, where applicable, with Articles 11(1), 11(2) and 16(5) of the *Statutory Audit Regulation*.

Annex G

Amendments to the Auditors Part

In this Annex deleted text is struck through.

1 APPLICATION AND DEFINITIONS

1.1 This Part applies to:

(1) every *firm*, ~~except for an *incoming firm* that does not have a *top up permission*~~; and

...

Annex H

Amendments to the Capital Buffers 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:

...

countercyclical buffer rate

means (in accordance with ~~point (7) of Article 128 of the CRD~~ regulation 10 of The Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014) the rate:

(a) expressed as a percentage of total risk exposure amount set by the ~~FPC or an EEA countercyclical buffer authority~~, or

...

distribution in connection with common equity tier 1 capital

includes ~~(in accordance with Article 141(10) of the CRD)~~:

...

EEA countercyclical buffer authority

means the authority or body of an ~~EEA State~~ other than the ~~UK~~ designated for the purpose of Article 136 of the CRD with responsibility for setting the ~~countercyclical buffer rate~~ for that ~~EEA State~~ or the ~~European Central Bank~~ when it carries out the task of setting a ~~countercyclical buffer rate~~ for an ~~EEA State~~ conferred on it by Article 5(2) of Council Regulation (EU) No. 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of ~~credit institutions~~.

...

parent financial holding company in a Member State

means (in accordance with point (26) of Article 3(1) of the CRD) a ~~financial holding company~~ which is not itself a ~~subsidiary~~ of an ~~institution~~ authorised in the same ~~EEA State~~, or of a ~~financial holding company~~ or ~~mixed financial holding company~~ set up in the same ~~EEA State~~.

parent institution in a Member State

means (in accordance with point (24) of Article 3(1) of the CRD) an ~~institution~~ authorised in an ~~EEA State~~ which has an ~~institution~~ or ~~financial institution~~ as ~~subsidiary~~ or which holds a ~~participation~~ in such an ~~institution~~ or ~~financial institution~~, and which is not itself a ~~subsidiary~~ of another ~~institution~~ authorised in the same ~~EEA State~~ or of a ~~financial holding company~~ or ~~mixed financial holding company~~ set up in the same ~~EEA State~~.

parent mixed financial holding company in a Member State

means (in accordance with point (28) of Article 3(1) of the CRD) a ~~mixed financial holding company~~ which is not itself a ~~subsidiary~~ of an ~~institution~~ authorised in the same ~~EEA State~~, or

~~of a financial holding company or mixed financial holding company set up in the same EEA State.~~

relevant credit exposures

~~means (in accordance with Article 140(4) of the CRD) exposures other than those referred to in points (a) to (f) of Article 112 of the CRR that are subject to:~~

...

3 COUNTERCYCLICAL CAPITAL BUFFER

3.1 ...

(5) ~~The countercyclical buffer rate for an exposure located in an EEA State other than the UK is:~~

(a) ~~the rate set by the EEA countercyclical buffer authority for that jurisdiction; or~~

(b) ~~if that rate exceeds 2.5% and has not been recognised by the FPC, 2.5%.
[Deleted.]~~

...

(10) ~~If the rate for an EEA State other than the UK is increased, subject to (5)(b) that increase takes effect from:~~

(a) ~~the date specified by the EEA countercyclical buffer authority for that jurisdiction, if the rate applied under this Chapter does not exceed 2.5%;~~

(b) ~~the date specified by the FPC if the rate applied under this Chapter exceeds 2.5%. [Deleted.]~~

...

3.2 ~~This rule applies until 31 December 2015 [Deleted.]~~

(1) ~~A firm must calculate a countercyclical capital buffer of common equity tier 1 capital equal to its total risk exposure amount multiplied by the weighted average of the countercyclical buffer rates that apply in the jurisdictions where the firm's relevant credit exposures are located.~~

(2) ~~In order to calculate the weighted average referred to in (1), a firm must apply to each applicable countercyclical buffer rate its total own funds requirements for credit risk, specific risk, incremental default and migration risk that relates to the relevant credit exposures in the jurisdiction in question, divided by its total own funds requirements for credit risk that relates to all of its relevant credit exposures.~~

(3) ~~For the purposes of (2), firm must calculate its total own funds requirement for credit risk, specific risk, incremental default and migration risk in accordance with Part Three, Titles II and IV of the CRR.~~

(4) ~~The countercyclical buffer rate for an exposure is the rate recognised or set by the FPC for the jurisdiction in which that exposure is located.~~

(5) ~~If the FPC does not recognise or set a rate for the jurisdiction in which an exposure is located, the countercyclical buffer rate for that exposure is zero.~~

(6) ~~If the rate recognised or set by the FPC for a jurisdiction is increased, that increase takes effect from the date specified by the FPC.~~

(7) ~~If a rate is reduced, that reduction takes effect immediately.~~

5 APPLICATION ON AN INDIVIDUAL AND CONSOLIDATED BASIS

...

5.2 A firm which is a UK parent institution ~~in a Member State~~ must comply with this Part on the basis of its *consolidated situation*.

5.3 A UK bank or building society controlled by a UK parent financial holding company ~~in a Member State~~ or a UK parent mixed financial holding company ~~in a Member State~~ must comply with this Part on the basis of the *consolidated situation* of that holding company, if the PRA is responsible for supervision of the UK bank or building society on a *consolidated basis* under Part 6 of the Capital Requirements Regulations ~~Article 111 of the CRD~~.

5.4 A UK designated investment firm controlled by a UK parent financial holding company ~~in a Member State~~ or a UK parent mixed financial holding company ~~in a Member State~~ must comply with this Part on the basis of the *consolidated situation* of that holding company, if:

- (1) there is no *subsidiary* of the holding company which is a *credit institution* to which 5.3 applies; and
- (2) the PRA is responsible for the supervision of the UK designated investment firm on a *consolidated basis* under Part 6 of the Capital Requirements Regulations ~~Article 111 of the CRD~~.

...

Annex I

Amendments to the Certification Part

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

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* that is:

- (1) a *CRR firm*;
- (2) a *credit union*; or
- (3) a *third country CRR firm* in relation to; ~~the activities of its establishment in the UK.~~
 - (a) the activities of its establishment in the UK; or
 - (b) if it does not have an establishment in the UK, its activities in the UK.

1.1A This Part does not apply to a *SRO firm*.

...

1.3 This Part does not apply to a function performed by:

...

- (5A) a *person* in relation to whom a notice under *section 59ZZA* has been given to an *authorised person*;

....

Annex J

Amendments to the Change in Control Part

In this Annex deleted text is struck through.

1 APPLICATION AND DEFINITIONS

1.1 (1) Unless otherwise stated, this Part applies to every *firm* except:

(a) ~~an *incoming firm*; [deleted.]~~

...

...

3 OBLIGATIONS ON FIRMS

...

3.3 An *overseas firm* ~~other than an *incoming firm*~~ must notify the PRA of:

...

...

4 ONGOING NOTIFICATION REQUIREMENTS

4.1 A *firm* must notify the PRA as soon as it becomes aware of any of the following matters in respect of one or more of its *controllers*:

...

(3) if a corporate *controller* undergoes a substantial change or series of changes in its *governing body*;

~~(4) if a *controller*, who is authorised in another *EEA State* as a MiFID investment firm, CRD credit institution or UCITS management company or under the *Solvency II Directive* or the *Insurance Distribution Directive*, ceases to be so authorised (registered in the case of an *IDD insurance intermediary*). [deleted.]~~

...

...

Annex K

Amendments to the Close Links Part

In this Annex deleted text is struck through.

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* ~~except an *incoming firm*~~.

...

Annex L

Amendments to the Compliance and Internal Audit Part

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

1 APPLICATION AND DEFINITIONS

- 1.1 Unless otherwise stated, this Part applies to a *CRR firm*
- ...
- (2) ~~with respect to the carrying on of *passport activities* by it from a *branch* in another *EEA state*; [deleted.]~~
- ...
- 1.1A 2.1 to 2.6 do not apply to a *firm* with respect to the carrying on of *benchmarking activities* except to the extent that ~~they transpose an EU instrument~~ those rules constitute *retained EU law*.
- 1.2 In this Part, the following definitions shall apply:
- ~~*host Member State*~~
- ~~has the meaning given in Article 4(1)(56) of *MiFID II*.~~

2 COMPLIANCE

- ...
- 2.6 (1) ~~This rule applies to a *firm* conducting *investment services and activities* from a *branch* in another *EEA State*. [Deleted.]~~
- (2) ~~References to the *regulatory system* in 2.1 and 2.2A apply in respect of a *firm's branch* as if *regulatory system* includes a *host Member State's* requirements under *MiFID II* which are applicable to the *investment services and activities* conducted from the *firm's branch*. [Deleted.]~~

Annex M

Amendments to the Conditions Governing Business Part

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

1 APPLICATIONS AND DEFINITIONS

1.2 In this Part, the following definitions shall apply:

concentration risk

means all risk exposures with a loss potential which is large enough to threaten the solvency or the financial position of a ~~Solvency II undertaking~~ UK Solvency II firm.

...

2 GENERAL GOVERNANCE REQUIREMENTS

2.1 A *firm* must ensure its *governing body* is ultimately responsible for the *firm's* compliance with the rules and all applicable laws, regulations and administrative provisions ~~adopted in accordance with~~ implementing the *Solvency II Directive*.

...

4 INTERNAL CONTROL

...

4.2 The compliance *function* referred to in 4.1(2) must include:

- (1) advising the *governing body* on compliance with the rules and other laws, regulations and administrative provisions ~~adopted in accordance with~~ implementing the *Solvency II Directive*; and

...

11 STATISTICAL DATA

11.1 ~~A leading insurer and a relevant insurer must keep statistical data showing the extent of Community co-insurance operations in which they participate and the EEA States concerned.~~
[Deleted.]

...

Annex N

Amendments to the Conduct Rules Part

In this Annex new text is underlined.

1 APPLICATION AND DEFINITIONS

- 1.1 (1) Unless otherwise stated, this Part applies to every *firm* that is:
- (a) a *CRR firm*;
 - (b) a *credit union*; or
 - (c) a *third country CRR firm* in relation to:
 - (i) the activities of its establishment in the *UK*; or
 - (ii) if it does not have an establishment in the *UK*, activities in the *UK*.
- (2) This Part only applies if P:
- ...
- (d) performs a *certification function* in relation to A; ~~or~~
 - (e) is a *Conduct Rules non-executive director* of A; or
 - (f) is a *person* in relation to whom a notice under *section 59ZZA* has been or could be given by the *PRA* to an *authorised person*.
- (3) 3.1 to 3.3 only apply to a *person* in (2)(a), ~~or~~ (b), or (f)
- (4) 3.4 only applies to a *person* in (2)(a), (b), ~~or~~ (e) or (f).

Annex O

Amendments to the Contractual Recognition of Bail In 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:

...

~~eligible deposit~~

has the meaning given in point 4 of Article 2(1) of Directive 2014/49/EU

...

fully secured liability

means a *liability* which, at the time it is created, is fully secured and governed by contractual terms that oblige the debtor to maintain the *liability* fully collateralised on a continuous basis in compliance with regulatory requirements of ~~EUUK~~ law or of the law of a *third country* achieving effects that can be deemed equivalent to ~~EUUK~~ law.

...

2 CONTRACTUAL RECOGNITION OF BAIL-IN

...

2.1A ~~2.1 does not apply~~ The inclusion of a contractual term in a contract is not required by this Part in respect of a *any phase two liability* where it would be impracticable for the *BRRD undertaking* to comply with 2.1 to include it in respect of that *phase two liability*.

2.1B Subject to 2.1C, the requirement in 2.1 shall not apply where the contract:

(1) was made before *exit day* and

(2) is governed by the law of an *EEA State*

2.1C Notwithstanding 2.1B, the requirement in 2.1 shall apply to a contract referred to in 2.1B from the time of any *material amendment* to the contract made on or after *exit day*.

2.2 In respect of a *liability* to which 2.1 applies that is:

(1) an *additional tier 1 instrument*, or

(2) a *tier 2 instrument*,

a *BRRD undertaking* that is a *CRR firm* must provide to the *PRA* a properly reasoned independent legal opinion from an individual appropriately qualified in the relevant *third country* on the enforceability and effectiveness of the term ~~referred to in~~ required by this Part. 2.1.

...

Annex P

Amendments to the Credit Risk Part

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

...

3 SECURITISATION – RECOGNITION OF SIGNIFICANT RISK TRANSFER

- 3.1 A firm must notify the PRA that it is relying on the deemed transfer of significant credit risk under paragraph 2 of ~~Article 243~~ Article 244 of the CRR or paragraph 2 of ~~Article 244~~ Article 245 of the CRR, including when this is for the purposes of Article 337(5) of the CRR, no later than one month after the date of the transfer.

....

4 CRITERIA FOR CERTAIN EXPOSURES SECURED BY MORTGAGES ON COMMERCIAL IMMOVABLE PROPERTY

...

- 4.1A For the purposes of Articles 124(2) and 126(2) of the *CRR* and in addition to the conditions set out therein, a *firm* may treat an *exposure* or any part of an *exposure* that is not located in ~~a jurisdiction that is not an EEA State~~ the UK as fully and completely secured for the purposes of Article 126 (1) of the *CRR* only if all of the following conditions are met:

...

Annex Q

Amendments to the Credit Unions Part

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

6 INVESTMENT

...

6.3 A *credit union* must not hold *investments*, save that it may hold an *investment* that is:

- (1) a *deposit* placed with a *credit institution* which is authorised in ~~an EEA State~~ the UK to *accept deposits* on terms that the *deposit* shall be repayable within at most twelve months from the date on which that *investment* is made;
- (2) a loan, other than a subordinated loan qualifying as *capital* within the meaning given in 8.2, to a *credit institution* which is authorised in ~~an EEA State~~ the UK to *accept deposits*, with a *maturity* of up to twelve months from the date on which that *investment* is made;
- (3) a sterling-denominated *security* issued by the government of ~~an EEA State~~ the UK with a *maturity* of up to twelve months from the date on which that *investment* is made;
- (4) a fixed-interest sterling-denominated security guaranteed by the government of ~~an EEA State~~ the UK, with a *maturity* of up to twelve months from the date on which that *investment* is made, provided that such *guarantee* is unconditional in respect of the payment of both principal and interest on the security; or

...

6.4 If a *credit union* complies with 10.3, it may hold an *investment* that is:

...

- (2) a loan, other than a subordinated loan qualifying as *capital* within the meaning given in 8.2, to a *credit institution* which is authorised in ~~the UK an EEA State~~ the UK to *accept deposits* with a *maturity* of up to five years from the date on which that *investment* is made;
- (3) a sterling-denominated security issued by the government of ~~the UK an EEA State~~ the UK, with a *maturity* of up to five years from the date on which that *investment* is made;
- (4) a fixed-interest sterling-denominated security guaranteed by the government of ~~the UK an EEA State~~ the UK, with a *maturity* of up to five years from the date on which that *investment* is made, provided that such *guarantee* is unconditional in respect of the payment of both principal and interest on the *security*; or
- (5) any other product provided by a *credit institution* authorised in ~~the UK an EEA State~~ the UK to *accept deposits*, with a *maturity* of up to five years from the date on which that *investment* is made, provided it satisfies the requirement in 6.2.

...

6A INVESTMENT – TRANSITIONAL PROVISIONS

- 6A.1 The references in rule 6.3 to the *UK* shall be read as references to the *UK* or an *EEA State* except that in the case of an *EEA State* where the investment was made after *exit day* the maturity referred to therein shall be no later than 30 June 2020.
- 6A.2 The references in rule 6.4 to the *UK* shall be read as references to the *UK* or an *EEA State* except that in the case of an *EEA State* where the investment was made after *exit day* the maturity referred to therein shall be no later than 30 June 2020.

Annex R

Amendments to the Depositor Protection Part

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

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

...

(6) an overseas firm, that if:

(a) ~~is not an incoming firm; and~~ the firm has a Part 4A permission that includes accepting deposits; and

(b) ~~has a Part 4A permission that includes accepting deposits~~ deposits are held by a UK establishment of the firm.

1.2 Chapter 23 ~~and 20.2 applies~~ apply to a UK branch of an ~~incoming firm that is a credit institution.~~ Gibraltar-based credit institution

1.3 This Part also applies to a firm which used to have a Part 4A permission to accept deposits but which has ceased to have a Part 4A permission to accept new deposits, or which is subject to a requirement not to accept new deposits, and which is not a member of a ~~non-UK scheme~~ the Gibraltar DGS.

1.3A For the purposes of this Part, a deposit is held by a UK establishment or Gibraltar branch if it is assigned by the firm to an account of that UK establishment or Gibraltar branch (as applicable).

1.3B For the purposes of this Part, references to a Gibraltar establishment or branch (as applicable) of a UK firm, means an establishment or branch established pursuant to Gibraltar-market access rights.

1.4 Unless otherwise stated, in this Part, the following definitions shall apply:

...

deposit

means:

(1) a credit balance which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a credit institution is required to repay under the legal and contractual conditions applicable, including a fixed-term deposit and a savings deposit, but excluding a credit balance where:

(a) its existence can only be proven by a financial instrument ~~financial instrument as defined in MIFID II,~~ unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which ~~exists~~ existed in the UK, Gibraltar or a Member State of the EU on 2 July 2014;

...

DGS member

...

- (5) an overseas firm ~~if; that is not an incoming firm and~~
- (a) the firm has a Part 4A permission that includes accepting deposits; and
 - (b) deposits are held by a UK establishment of the firm.

...

DGS EU Exit Regulations

means the Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018.

...

enterprise

means any entity engaged in economic activity, irrespective of its legal form and including, in particular, self-employed persons and family businesses engaged in craft or other activities and partnerships or associations regularly engaged in an economic activity.

~~EEA right~~

~~means the entitlement of a person to establish a branch or provide services in an EEA State other than that in which they have their relevant office in accordance with the Treaty as applied in the European Economic Area; and subject to the conditions of the CRR and CRD.~~

~~euro firm~~

~~means an incoming firm that is a credit institution of an EEA State that has adopted the euro or that does not convert into their national currency the amount referred to in Article 6(1) of the DGSD, pursuant to Article 6(5) DGSD.~~

...

exclusions list

means:

...

- (1) up to and including 31 December 2016, a list in the form set out in Section A of Annex 3 to this Part; ~~and~~
- (2) from 1 January 2017 until exit day, a list in the form set out in Section B of Annex 3 to this Part; and
- (3) from exit day, a list in the form set out in Section C of Annex 3 to this Part.

...

Gibraltar-based credit institution

means a credit institution authorised as such by the Gibraltar Financial Services Commission that has its head office in and is incorporated in Gibraltar.

Gibraltar DGS

means the deposit guarantee scheme established in Gibraltar.

Gibraltar market access rights

means market access rights pursuant to which a person incorporated in the UK is entitled to establish a branch or provide services in Gibraltar.

~~home state scheme~~

~~means a scheme or arrangement (including the deposit guarantee scheme) for the payment of compensation in respect of eligible deposits, which was established in the EEA State which is, with regard to a particular institution, the home Member State.~~

~~host state scheme~~

~~means a scheme or arrangement (including the deposit guarantee scheme) for the payment of compensation in respect of eligible deposits, which was established in the EEA State which is, with regard to a particular institution, the host Member State.~~

...

incoming firm

means a firm which, immediately before exit day, was an incoming firm within the meaning of section 193 of FSMA as in force at that date.

...

mandatory contributions

means, at any time, the mandatory contributions ~~described in Article 10(4) of the DGSD~~ paid before that time by credit institutions to schemes of mandatory contributions established by the United Kingdom for the purposes of covering the costs related to systemic risk, failure and resolution of institutions, up to the target level, less any amounts of such mandatory contributions previously borrowed by the FSCS which have not been repaid.

micro, small and medium-sized enterprises-enterprise

means an enterprise the annual turnover of which does not exceed EUR 50 million ~~means micro, small and medium-sized enterprises as defined with regard to the annual turnover criterion referred to in Article 2(1) of the Annex to Commission Recommendation 2003/361/EC.~~

...

money laundering

has the meaning given in Article ~~1(3)~~ 4(2) of the *money laundering directive*.

money laundering directive

means ~~Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing. Directive 2015/849/EU.~~

...

non-UK scheme

means a scheme established pursuant to the *DGSD* in an *EEA State*. ~~other than the UK.~~

...

target level

means ~~the amount of available financial means which the deposit guarantee scheme is required to reach, which is 0.8% of the amount of covered deposits (excluding temporary high balances) of DGS members.~~

2 ELIGIBILITY

...

2.2 The provisions in this rule determine whether a *deposit* is an *eligible deposit*:

- (1) A *deposit* is an *eligible deposit* only if it is held by:
 - (a) a UK establishment of a DGS member; or
 - (b) a branch of a DGS member established in ~~another EEA State under an EEA Right~~ Gibraltar pursuant to Gibraltar market access rights.
- (2) ~~A deposit is held by a UK establishment or a branch if it is assigned by the firm to an account of that UK establishment or that branch.~~ [Deleted.]
- (3) A *deposit* is, subject to the other rules in this Chapter, an *eligible deposit* if it is held by a UK or Gibraltar establishment of a firm which:
 - (a) had a *Part 4A permission* to accept such *deposits* at the time the *deposit* was accepted but no longer has permission to accept *eligible deposits*, or is subject to a requirement preventing it from doing so; and
 - (b) is not now a ~~member of a non-UK scheme~~ the Gibraltar DGS which protects such *deposits*.

(4) The following are not *eligible deposits*:

...

- (f) a *deposit* the holder and any beneficial owner (as defined in regulation 3 of the Money Laundering Regulations, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017) of which have not, at the *compensation date* had their identity verified in accordance with:
 - (i) regulation 30 of the Money Laundering Regulations, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;
 - (ii) if their identity was verified prior to 26 June 2017, regulation 9 of the Money Laundering Regulations 2007 (in which case, the term beneficial owner in (f) above shall have the meaning given in regulation 6 of the Money Laundering Regulations 2007); or
 - (iii) in each case, equivalent ~~European Economic Area~~ requirements;
 - (1) Gibraltar requirements, provided that, if their identity is so verified after *exit day*, the *deposit* referred to in (f) is held by a branch of a DGS member established in Gibraltar pursuant to Gibraltar market access rights; or
 - (2) European Economic Area requirements, provided that their identity was so verified prior to *exit day*.

3 CIRCUMSTANCES IN WHICH THE FSCS PAYS COMPENSATION IN RESPECT OF ELIGIBLE DEPOSITS

...

3.2 The FSCS must pay compensation in accordance with this Part in respect of an *eligible deposit* if it is satisfied that the *eligible deposit* is a *deposit* with either:

- (1) a DGS member which is *in default*; or
- (2) a firm which is *in default* and which:
 - (a) had a *Part 4A permission* to accept such *deposits* at the time the *deposit* was accepted but no longer has permission to accept *eligible deposits*, or is subject to a requirement preventing it from doing so; and
 - (b) is not a ~~member of a non-UK scheme~~ the Gibraltar DGS which covers such *deposits*.

...

5 CALCULATING COMPENSATION

...

5.3 The limit provided for in 4.2 applies to the aggregate *eligible deposits* placed by a *depositor* with the same *credit institution*, irrespective of the number of accounts, the currency, or whether such *eligible deposits* are held by a UK establishment or a Gibraltar establishment of a DGS member ~~the location within the EEA.~~

...

6 PAYING COMPENSATION

...

6.2 The FSCS must pay any compensation to the *depositor*, with the following exceptions:

- (1) where the FSCS ~~is required to~~ may make payments on behalf of a *non-UK scheme* in accordance with the ~~deposit guarantee scheme regulations~~ DGS EU Exit Regulations;
- (2) ~~where the FSCS must instruct a non-UK scheme to make payments on its behalf in accordance with 27.3; [deleted.]~~

...

6.9 In applying this Chapter to *deposits* held with a *branch* ~~outside the UK~~ of a *DGS member* in Gibraltar, the FSCS must interpret references to:

- (1) *persons* entitled as personal representatives, trustees, bare trustees, *operators* of *pension schemes* or *persons* carrying on the *regulated activity* of winding up *pension schemes*; or

- (2) *persons* having a *joint account* or joint interest in a *deposit* or carrying on business in partnership,

as references to *persons* entitled, under the law of ~~the relevant country or territory~~ Gibraltar, in a capacity appearing to the *FSCS* to correspond as nearly as may be to that capacity.

7 FORM AND METHOD OF COMPENSATION

...

7.2 The *FSCS* may pay compensation in any form and by any method (or any combination of them) that it determines is appropriate including, without limitation:

- (1) by paying the compensation (on such terms as the *FSCS* considers appropriate) to a *DGS member* or ~~an incoming firm~~ a Gibraltar-based credit institution with an establishment in the UK which agrees to become liable to the *compensation recipient* in a like sum;
- (2) by paying compensation directly into an existing deposit account of (or for the benefit of) the *compensation recipient*, with a *DGS member* or ~~an incoming firm~~ a Gibraltar-based credit institution with an establishment in the UK (but before doing so the *FSCS* must take such steps as it considers appropriate to verify the existence of such an account and to give notice to the *depositor* of its intention to exercise this power);

...

8 CURRENCY OF COMPENSATION

...

8.2 ~~Subject to 8.3, the~~ The *FSCS* must make compensation payments in respect of *eligible deposits* in pounds sterling. Where the account in which the *eligible deposit* was held was maintained in a different currency, the *FSCS* must use the exchange rate applying on the *compensation date*.

8.3 ~~Where the FSCS is instructing a non-UK scheme to make a payment under 27.3, the FSCS must instruct the relevant non-UK scheme to make such payments in the currency of that host Member State [Deleted.]~~

9 TIME LIMITS

...

9.4 The *FSCS* may decide to defer the payment of compensation beyond the time period set out in 9.3 where:

...

- (5) the amount to be repaid is deemed to be part of a *temporary high balance*, in which case 10.8 applies; or
- (6) ~~the amount to be repaid is to be paid out by the host state scheme; or [deleted.]~~

...

...

12 SINGLE CUSTOMER VIEW REQUIREMENTS

...

12.9 A firm must ensure that each *single customer view* and *exclusions view* contains all the information set out in the table below.

...

39	Account branch jurisdiction.	<p>If the account is held in a branch outside the United Kingdom, please state in which jurisdiction the account is held [if applicable].</p> <p><u>Eligible deposits must be held by UK or Gibraltar establishments. State "GBR" or "GIB", as applicable.</u></p>	<p>ISO 3166-1 Alpha-3 or alternative code if ISO 3166-4 is unavailable</p> <p>Maximum number of characters in field: 3</p> <p>N/A</p>
40	<p>BRRD Marking</p> <p><u>Bank recovery and resolution marking</u></p>	<p>Is the account marked under 13.2? [if applicable].</p>	<p>Value: Yes / No</p> <p>Maximum number of characters in field: 3</p>

13 BRRD BANK RECOVERY AND RESOLUTION MARKING AND CONTINUITY OF ACCESS

...

13.2 A firm must mark accounts which hold:

...

- (2) *deposits* that would be *eligible deposits* from natural persons or *micro, small and medium-sized enterprises* if the *deposit* had not been made through a *branch* of the *firm* located outside the ~~EEA~~ UK or Gibraltar

...

...

16 FIRMS' DISCLOSURE OBLIGATIONS – INFORMATION AND EXCLUSIONS

...

16.2 A firm must:

...

- (3) before entering into a contract on *deposit-taking* with the intending *depositor* of deposits to be held by a UK or Gibraltar establishment of the firm:

...

each such intending *depositor*

- (4) before entering into a contract on *deposit-taking*, inform each intending *depositor* of deposits to be held at a UK or Gibraltar establishment of the firm of the exclusions from *deposit guarantee scheme* protection that fall within 2.2(4)(b) and 2.2(4)(k), if applicable.

- 16.3 ~~Where the depositor holds eligible deposits through a UK establishment, the~~ The information sheet must be in English, or, if different, in the language that was agreed between the *depositor* and the *firm* when the account was opened. ~~A firm which accepts eligible deposits through a branch established in another EEA State may provide the information sheet in the official language of that EEA State.~~

17 FIRMS' DISCLOSURE OBLIGATIONS – STATEMENTS OF ACCOUNT

- 17.1 A *firm* must:

...

- (2) include a reference to the *information sheet* and a reference to the *exclusions list* on a *depositor's* statement of account in respect of deposits held by a UK or Gibraltar establishment of the firm;

- (3) at least annually:

- (a) provide to the depositor of deposits held by a UK or Gibraltar establishment of the firm;

...

- (4) include the following information on a depositor's statement of account in respect of deposits held by a UK or Gibraltar establishment of the firm:

...

- 17.3 A firm which was, immediately before exit day, a credit institution and an incoming firm, and which is a DGS member immediately after exit day, must, within two months after exit day:

- (1) provide to the depositor of deposits held by a UK establishment of the firm:

- (a) the information sheet; and

- (b) the exclusions list; and

- (2) if applicable, inform the depositor of the exclusions from deposit guarantee scheme protection that fall within 2.2(4)(b) and 2.2(4)(k).

...

19 DISCLOSURE OF TRANSFER OF DEPOSITS

- 19.1 In the case of a merger, conversion of *subsidiaries* into *branches*, transfer or similar operations, a *firm* must:
- ...
- (2) give *depositors* a three month period following notification in accordance with (1), to withdraw or transfer to another *institution*, without incurring any penalty, such part of their *eligible deposits*, together with any accrued interest and other benefits, as exceed the coverage level pursuant to 4.2 (or, if applicable in the case of a *non-UK scheme*, other transposition of Article 6(1) of the *DGSD*) at the time of the operation.

20 DISCLOSURE OF WITHDRAWAL OR EXCLUSION FROM THE DEPOSIT GUARANTEE SCHEME

- 20.1 A *firm* must inform *depositors* within one month if it withdraws from or is excluded from the *deposit guarantee scheme* or any *non-UK scheme*.
- 20.2 A Gibraltar-based credit institution with an establishment in the UK must inform depositors of that establishment within one month if it withdraws from or is excluded from the Gibraltar DGS.
- 20.3 A firm must inform depositors of deposits which:
- (1) immediately prior to exit day, were eligible deposits; and
- (2) on exit day, ceased to be eligible deposits by virtue of not being held at a UK or Gibraltar establishment,
- that such deposits ceased to be eligible deposits on exit day; and must do so as soon as practicably possible after exit day and in any event within one month after exit day.

...

22 NOTIFICATION REQUIREMENTS ON TRANSFER TO A NON-UK SCHEME ~~[deleted]~~

- 22.1 ~~If a firm which is a DGS member intends to transfer to become a member of a non-UK scheme, and cease to be a DGS member, it shall give at least six months' notice to the FSCS and the PRA of its intention to make such a transfer. During the six month period, the firm shall remain a DGS member. [Deleted.]~~

23 DEPOSIT COMPENSATION INFORMATION – BRANCHES AND WEBSITE

...

- 23.3 In this Chapter, references to “compensation leaflet” are:
- (1) in the case of a *DGS member*, references to the *FSCS*’s standard leaflet with respect to its protection of *deposits*; and
- (2) in the case of ~~an incoming firm that it is a credit institution,~~ a Gibraltar-based credit institution with an establishment in the UK, references to a leaflet with respect to the protection of *deposits* by the Gibraltar DGS compensation scheme of its *home member state* where such a leaflet is provided electronically and in English by the Gibraltar

~~DGS home state scheme~~ or, where a leaflet is not available, a link to the ~~home state scheme's~~ Gibraltar DGS' website.

23.4 A firm that *accepts deposits* under a single brand or trading name must prominently display the compensation sticker and compensation poster in each UK branch (and, in the case of a UK firm with a branch in Gibraltar, each Gibraltar branch) in the following ways:

...

23.5 A firm that *accepts deposits* under multiple brands or trading names must prominently display the compensation sticker and compensation poster in each UK branch (and, in the case of UK firm with a branch in Gibraltar, each Gibraltar branch) in the following ways:

...

23.10 A firm that *accepts eligible deposits* through a *branch* or *branches* established in other *EEA States* may provide the information required by this Chapter in the official language(s) of the *EEA State* (which may be either the compensation sticker, compensation poster or compensation leaflet in that language or the *firm's* own translation of that compensation sticker, compensation poster or compensation leaflet). ~~[Deleted.]~~

24 DUTIES OF THE FSCS

...

24.10 The FSCS must correspond with a *depositor* in any one of:

- (1) English; or
- (2) ~~any other official Union language~~ or Welsh if that language is used by the *firm* which holds the *eligible deposit* when communicating with that *depositor*.

...

26 CONFIDENTIALITY, INFORMATION SHARING AND CO-OPERATION

...

26.2 The FSCS must exchange with *host state schemes* (in relation to a *DGS member*), information: ~~[Deleted.]~~

- (1) relating to the *DGS member's* compliance with this Part;
- (2) necessary to prepare for a repayment of *depositors*, including markings made under Chapter 11;
- (3) communicated to the FSCS by the PRA that the PRA has detected problems with a *DGS member* that are likely to give rise to the intervention of the *deposit guarantee scheme*.

26.3 The FSCS must have appropriate procedures in place to enable it to share information and communicate effectively with *non-UK schemes*, the members of such schemes, and bodies

outside the *UK*. The *FSCS* shall inform the *PRA* of any cooperation agreement it enters into with a *non-UK scheme*. [Deleted.]

- 26.4 In order to facilitate effective co-operation, the *FSCS* shall have written co-operation agreements in place with *non-UK schemes*. Such agreements shall take account of 26.1. [Deleted.]

27 PAYMENTS IN RESPECT OF UK BRANCHES OF INCOMING FIRMS AND EEA BRANCHES OF DGS MEMBERS [deleted.]

- 27.1 This Chapter applies only to the *FSCS*. [Deleted.]

- 27.2 Where the *FSCS* is required under the *deposit guarantee scheme regulations* to pay compensation on behalf of a *non-UK scheme*, the *FSCS* must inform the *depositors* concerned that the relevant *credit institution is in default* and of their right to compensation on behalf of the *non-UK scheme*. The *FSCS* may receive correspondence from those *depositors* on behalf of the *non-UK scheme*. [Deleted.]

- 27.3 Where the *FSCS* is required, under this Part, to pay compensation to a *depositor* in respect of *deposits* held with a *branch* of a *DGS member* in an *EEA state* other than the *UK*, the *FSCS* must instruct the relevant *non-UK scheme* to make such payments on its behalf. The *FSCS* must provide the necessary funding prior to payout by the *non-UK scheme* and must compensate the *non-UK scheme* for costs incurred by the *non-UK scheme* with regard to acts done by the *non-UK scheme* in accordance with the instructions given by the *FSCS*. [Deleted.]

28 SUBROGATION

...

- 28.3 (1) The *FSCS* may determine that, if it is necessary or desirable in conjunction with the exercise of the *FSCS*'s powers under 28.2, that the *compensation recipient* shall be treated as having irrevocably and unconditionally appointed the chairman of the *FSCS* for the time being to be their attorney and agent and on their behalf and in their name or otherwise to do such things and execute such deeds and documents as may be required under such laws of the *UK*, ~~Gibraltar~~ ~~another EEA State~~ or any other state or country to create or give effect to such assignment or transfer or otherwise give full effect to those powers.

...

30 RECOVERIES OF ELIGIBLE DEPOSITS: RETURN OF SURPLUS TO COMPENSATION RECIPIENT

- 30.1 If the *FSCS*, in relation to a *claim* for *eligible deposits*, makes recoveries from the *credit institution* or any third party in respect of that *eligible deposit*, it must:

- (1) retain from those recoveries a sum equal to the aggregate of:
- (a) the sum paid by the *FSCS* as compensation; and

...

- (b) ~~any amount paid or payable by a home state scheme to the compensation recipient, and [deleted.]~~

...

32 FUNDING – USE OF EXISTING MANDATORY CONTRIBUTIONS

...

32.2 If the PRA determines, in accordance with the *deposit guarantee scheme regulations*, that the FSCS is unable to raise a *DGS compensation costs levy* from *DGS members* to meet the liabilities of the *deposit guarantee scheme*, the FSCS may borrow an amount equal to the ~~amount of such mandatory contributions~~ in order to meet the liabilities of the deposit guarantee scheme.

32.3 The FSCS must impose a *DGS compensation costs levy* on *DGS members* sufficient to repay any amounts ~~borrowed in accordance with 32.2 equal to mandatory contributions borrowed in accordance with Article 10 (4) of the DGSD~~ within a reasonable time and in accordance with repayment deadlines under the applicable loan agreement and 34.3.

...

48 FUNDING – TRANSFER OF LEVIES ~~[deleted.]~~

48.1 ~~This Chapter applies only to the FSCS. [Deleted.]~~

48.2 ~~If a firm ceases to be a DGS member and joins a non-UK scheme, the FSCS must transfer the contributions paid by that firm to the available financial means of the deposit guarantee scheme during the 12 months preceding the end of the membership to the relevant non-UK scheme. [Deleted.]~~

48.3 ~~48.2 does not apply if the firm has been excluded from the deposit guarantee scheme pursuant to Article 4(5) of the DGSD. [Deleted.]~~

48.4 ~~If some of the activities of a DGS member are transferred to another Member State and become subject to a non-UK scheme, the contributions paid by that firm during the 12 months preceding the transfer shall be transferred to the relevant non-UK scheme in proportion to the amount of covered deposits transferred. [Deleted.]~~

...

ANNEX 1 – INFORMATION SHEET (CHAPTER 16)

Currency of reimbursement: Pound sterling (GBP, £) ~~or, for branches of UK banks operating in other EEA Member States, the currency of that State.~~

ANNEX 2 – CONTENT OF COMPENSATION STICKERS AND POSTERS (CHAPTER 23)

The compensation stickers must contain the following statements only:

UK banks

building societies

credit unions

Northern Ireland credit unions

An overseas firm, that if:

(a) ~~is not an incoming firm;~~ the firm has a Part 4A permission that includes accepting deposits; and

(b) ~~has a Part 4A permission that includes accepting deposits~~ deposits are held by a UK establishment of the firm

...

(1) "Your eligible deposits ~~with~~ held by a UK/Gibraltar [delete as appropriate] establishment of [insert name of firm] are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the limit are unlikely to be covered.

Please ask/click here [delete as appropriate] for further information or visit www.fscs.org.uk."

As an alternative, for *credit unions* or *Northern Ireland credit unions* that *accept deposits* under a single brand or trading name:

"Your eligible deposits are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit www.fscs.org.uk."

~~Incoming firm that is a credit institution~~ UK branch of a Gibraltar-based credit institution

(2) "Your eligible deposits with [insert name of firm] are protected up to a total of ~~[insert 100,000 euro or home state equivalent]~~ [insert Gibraltarian coverage limit including applicable currency] by the Gibraltar Deposit Guarantee Scheme [insert name of compensation scheme] ~~the [insert home state of compensation scheme] deposit guarantee scheme~~ and are not protected by the UK Financial Services Compensation Scheme. Any deposits you hold above the ~~[insert 100,000 euro or home state equivalent]~~ [insert Gibraltarian coverage limit including applicable currency] limit are unlikely to be covered.

Please ask/click here [delete as appropriate] for further information or visit [insert website address of scheme]."

The compensation posters must contain the following statements only:

UK banks

building societies

credit unions

Northern Ireland credit unions

An overseas firm, that if:

(a) ~~is not an incoming firm~~ the firm has a Part 4A permission that includes accepting deposits; and

(b) ~~has a Part 4A permission that includes accepting deposits~~ deposits are held by a UK establishment of the firm.

...

(1) *Firms that accept deposits under a single brand or trading name*

"Your eligible deposits with ~~held by a UK/Gibraltar [delete as appropriate]~~ held by a UK/Gibraltar [delete as appropriate] establishment of [insert name of firm] are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the limit are unlikely to be covered.

Please ask/click here [delete as appropriate] for further information or visit www.fscs.org.uk."

As an alternative, for credit unions or Northern Ireland credit unions that accept deposits under a single brand or trading name: "Your eligible deposits are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the limit are unlikely to be covered.

Please ask/click here [delete as appropriate] for further information or visit www.fscs.org.uk."

(2) *Firms that accept deposits under multiple brands or trade names*

"Your eligible deposits with ~~held by a UK/Gibraltar [deleted as appropriate]~~ held by a UK/Gibraltar [deleted as appropriate] establishment of [insert name of firm] are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. This limit is applied to the total of any deposits you have with the following: [insert name of brands as appropriate]. Any total deposits you hold above the limit between these brands are unlikely to be covered.

Please ask/click here [delete as appropriate] for further information or visit www.fscs.org.uk."

~~Incoming firm that is a credit institution~~ UK branch of a Gibraltar-based credit institution

(3) ~~Incoming firm that is a credit institution and~~ UK branch of a Gibraltar-based credit institution that accepts deposits under a single brand or trading name

"Your eligible deposits with [insert name of firm] are protected up to a total of ~~[insert 100,000 euro or home state equivalent]~~ [insert Gibraltarian coverage limit including applicable currency] by ~~[insert name of compensation scheme]~~ [insert Gibraltarian coverage limit including applicable currency] the ~~[insert home state of compensation scheme]~~ [insert Gibraltarian coverage limit including applicable currency] the Gibraltar-deposit guarantee scheme and are not protected by the UK Financial Services Compensation Scheme. Any deposits you hold above the ~~[insert 100,000 euro or home state equivalent]~~ [insert Gibraltarian coverage limit including applicable currency] limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit [insert website address of scheme]."

(4) ~~Incoming firm~~ UK branch of a Gibraltar-based credit institution that accepts deposits under multiple brands or trading names

"Your eligible deposits with [insert name of firm] are protected up to a total of ~~[insert 100,000 euro or home state equivalent]~~ [insert Gibraltarian coverage limit including applicable currency] by ~~[insert name of compensation scheme]~~ the ~~[insert home state of compensation scheme]~~ the Gibraltar deposit guarantee scheme and are not protected by the UK Financial Services Compensation Scheme. This limit is applied to the total of any deposits you have with the following: [insert names of brands as appropriate]. Any total deposits above the ~~[insert 100,000 euro or home state equivalent]~~ [insert Gibraltarian coverage limit including applicable currency] limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit [insert website address of scheme]."

...

ANNEX 3 – EXCLUSIONS LIST (CHAPTER 16)

Section C (from exit day)

A deposit is excluded from protection if:

- (1) The holder and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements. For further information, contact your bank, bank building society or credit union.
- (2) The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering.
- (3) It is a deposit made by a depositor which is one of the following:
 - credit institution
 - financial institution
 - investment firm
 - insurance undertaking
 - reinsurance undertaking
 - collective investment undertaking
 - pension or retirement fund¹
 - public authority, other than a small local authority.
- (4) It is a deposit of a credit union to which the credit union itself is entitled
- (5) It is a deposit which can only be proven by a financial instrument² unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which existed in the UK, Gibraltar or a Member State of the EU on 2 July 2014)
- (6) It is a deposit of a collective investment scheme which qualifies as a small company.³
- (7) It is a deposit of an overseas financial services institution which qualifies as a small company.⁴
- (8) It is a deposit of certain regulated firms (investment firms, insurance undertakings and reinsurance undertakings) which qualify as a small business or a small company⁵ – refer to the FSCS for further information on this category

- (9) It is not held by an establishment of a bank, building society or credit union in the UK or, in the case of a bank or building society incorporated in the UK, it is not held by an establishment in Gibraltar.

For further information about exclusions, refer to the FSCS website at www.FSCS.org.uk

¹ Deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium sized enterprises are not excluded

² As listed in Part I of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, read with Part 2 of that Schedule

³ Under the Companies Act 1985 or Companies Act 2006

⁴ See footnote 3

⁵ See footnote 3

Annex S

Amendments to the Dormant Account Scheme Part

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

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

...

- (5) an overseas firm ~~that if:~~
- (a) ~~is not an incoming firm; and [deleted.]~~
 - (b) the firm has a Part 4A permission that includes accepting deposits; and
 - (c) deposits are held by a UK establishment of the firm.

1.2 In this Part, the following definitions shall apply:

...

DAS member

means:

...

- (4) an overseas firm, if:
- (a) the firm ~~that is not an incoming firm and~~ has a part 4A permission that includes accepting deposits; and
 - (b) deposits are held by a UK establishment of the firm.

Gibraltar-based credit institution

has the meaning given in the Depositor Protection Part.

...

7 FORM AND METHOD OF COMPENSATION

...

7.2 Subject to Chapter 6, the FSCS may pay compensation in any form and by any method (or any combination of them) that it determines is appropriate including, without limitation:

- (1) by paying the compensation (on such terms as the FSCS considers appropriate) to a firm with a Part 4A permission to accept deposits or a Gibraltar-based credit institution

~~with an establishment in the UK an incoming firm~~ or another *dormant account fund operator* which agrees to become liable to the claimant in a like sum;

...

12 SUBROGATION

...

- 12.4 (1) The *FSCS* may determine that, if it is necessary or desirable in conjunction with the exercise of the *FSCS*'s powers under 12.3, that the claimant shall be treated as having irrevocably and unconditionally appointed the chairman of the *FSCS* for the time being to be their attorney and agent and on their behalf and in their name or otherwise to do such things and execute such deeds and documents as may be required under such laws of the *UK*, Gibraltar ~~another EEA State~~ or any other state or law-country to create or give effect to such assignment or transfer or otherwise give full effect to those powers.

...

Annex T

Amendments to the External Audit Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.3 In this Part, the following definitions shall apply:

...

group supervisor

means the PRA in accordance with regulation 26 of The Solvency 2 Regulations (in relation to a group) ~~the authority designated as group supervisor in relation to that group, in accordance with Article 247 of the Solvency II Directive.~~

...

4 DUTIES ON THE EXTERNAL AUDITOR

...

4.2 Where the *relevant elements of the SFCR* in a *group SFCR* that:

- (1) pertains to an *undertaking* that is not a ~~Solvency II undertaking~~ UK Solvency II firm; and
- (2) information has been prepared in accordance with:
 - (a) *PRA* rules other than those implementing the *Solvency II Directive*; or
 - (b) ~~an EU instrument~~ UK law other than the *Solvency II Regulations*,

the external auditor shall state in the report under 4.1(2) that the information has been properly compiled in accordance with the relevant *PRA* rules and ~~EU instruments~~ UK law relating to that *undertaking* from information provided by *undertakings* in the *group* and the *relevant insurance group undertaking*.

...

Annex U

Amendments to the Financial Conglomerates Part

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

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* except:

- (1) ~~an *incoming EEA firm*; [deleted.]~~
- (2) ~~an *incoming Treaty firm*; and [deleted.]~~

...

1.4 In this Part, the following definitions shall apply:

alternative investment fund manager

~~means a manager of alternative investment funds within the meaning of Article 4(1)(b), (l) and (ab) of the *AIFMD* or an *undertaking* which is outside the *EEA* and which would require authorisation in accordance with the *AIFMD* if it had its registered office within the *EEA*.~~

...

asset management company

~~means a management company within the meaning of Article 2(1)(b) of the *UCITS Directive*, as well as an *undertaking* the registered office of which is outside the *EEA* and which would require authorisation in accordance with Article 6(1) of the *UCITS Directive* if it had its registered office within the *EEA*.~~

...

competent authority

~~means any national authority of an *EEA State* which is empowered by law or regulation to supervise *regulated entities*, whether on an individual or group-wide basis.~~

...

consolidation group

means:

- (1) a *conventional group*; or
- (2) *undertakings* linked by ~~an *Article 12(1) relationship*~~ a *common management relationship* or an *Article 18(6) relationship*.

If a *parent undertaking* or *subsidiary undertaking* in a *conventional group* (the first person) has a consolidation ~~*Article 12(1) relationship*~~ *common management relationship* or an *Article 18(6) relationship* with another *person* (the second person), the second person, and any *subsidiary undertaking* of the second person, is also a member of the same *consolidation group*.

...

CRD full-scope firm

means an *investment firm* as defined in article 4(1)(2) of the *CRR* that is subject to the requirements imposed by virtue of MiFID, or which would be subject to ~~that Directive those requirements~~ if its head office were in the UK ~~an EEA State~~, and that is not a *limited activity firm* or a *limited licence firm*.

...

~~*EEA insurer*~~

~~means an undertaking whose head office is in any EEA State except the UK and which has received authorisation in accordance with article 14 of the Solvency II Directive.~~

~~*EEA prudential sectoral legislation*~~

~~means, in relation to a financial sector, requirements applicable to persons in that financial sector in accordance with EEA legislation with respect to prudential supervision of regulated entities in that financial sector.~~

~~*EEA UK regulated entity*~~

~~means a regulated entity that is an EEA firm or a UK firm.~~

...

~~*financial conglomerate notification*~~

~~means a notification issued in respect of a financial conglomerate that has been identified as a financial conglomerate as contemplated by regulation 2 of the Financial Conglomerates Regulations Article 4(2) of the Financial Groups Directive.~~

~~*Financial Conglomerates Regulations*~~

~~means The Financial Conglomerates and Other Financial Groups Regulations 2004 (SI 2004/1862)~~

...

~~*insurance sector*~~

means a sector composed of one or more of the following entities:

- (1) ~~a Solvency II undertaking~~ UK Solvency II firm;
- (2) *third country insurance undertaking* or a *third country reinsurance undertaking*;
- (3) an *insurance holding company*; and
- (4) in the relevant circumstances described in 5, an *asset management company* or an *alternative investment fund manager*.

...

~~*investment firm*~~

~~has the meaning given by Article 2(3) of the Financial Groups Directive~~

...

mixed financial holding company

~~has the meaning given in Article 2(15) of the *Financial Groups Directive* has the meaning given in regulation 1(2) of the *Financial Conglomerates Regulations*.~~

...

parent undertaking

~~has the meaning in Article 2(9) of the *Financial Groups Directive*.~~

participation

~~has the meaning given in article Article 2(11) of the *Financial Groups Directive* Article 4(1)(35) *CRR*.~~

...

regulated entity

means one of the following:

...

(2) ~~a *Solvency II undertaking*~~ UK Solvency II firm, a third country insurance undertaking, a third country reinsurance undertaking;

...

whether or not it is incorporated in, or has its head office in, ~~an EEA State~~ the UK.

~~*relevant competent authorities*~~

~~in relation to a *financial conglomerate*, means those *competent authorities* which are, or which have been appointed as, *relevant competent authorities* in relation to that *financial conglomerate* under Article 2(17) of the *Financial Groups Directive*.~~

...

sectoral rules

means, in relation to a *financial sector*, the following rules and requirements relating to the prudential supervision of *regulated entities* within that *financial sector*.

(1) ~~for the purposes of 2.8, *EEA prudential sectoral legislation* for that *financial sector* together with, as appropriate, the rules and requirements in (3);~~

(21) for the purpose of calculating *solo capital resources* and a *solo capital resources requirement*:

(a) to the extent provided for in paragraph 6.4 to 6.6 of Annex 2, rules and requirements that are referred to in those paragraphs; ~~and or~~

(b) ~~the rules and requirements in (3); or~~

(32) for all other purposes, rules and requirements of the PRA.

and so that:

- (43) in relation to prudential rules about consolidated supervision for any financial sector, those requirements include ones relating to the form and extent of consolidation;
- (54) in relation to any financial sector, those requirements include ones relating to the eligibility of different types of capital;
- (65) in relation to any financial sector, those requirements include both ones applying on a solo basis and ones applying on a consolidated basis; and
- (76) references to the PRA's sectoral rules are to sectoral rules in the form of rules.

...

~~subsidiary undertaking~~

~~has the meaning given in Article 2(10) of the *Financial Groups Directive*.~~

~~third country financial conglomerate~~

~~a *financial conglomerate* that is of a type that falls under Article 5(3) of the *Financial Groups Directive* has the meaning given in regulation 7 of the Financial Conglomerates and Other Financial Groups Regulations 2004.~~

~~third country insurance undertaking~~

~~means an *undertaking* that has its head office outside the *EEA* and that would require authorisation as an *insurance undertaking* in accordance with Article 14 of the *Solvency II Directive* if its head office was situated in the *EEA*.~~

~~third country reinsurance undertaking~~

~~means an *undertaking* that has its head office outside the *EEA* and that would require authorisation as a *reinsurance undertaking* in accordance with Article 14 of the *Solvency II Directive* if its head office were situated in the *EEA*.~~

...

~~UK regulated EEA financial conglomerate~~

~~means a *financial conglomerate* other than a *third country financial conglomerate* that satisfies one of the following conditions:~~

- (1) ~~3.3 applies with respect to it; or~~
- (2) ~~a *firm* that is a *member* of that *financial conglomerate* is subject to obligations imposed through its *Part 4A permission* or section 55M of *FSMA* to ensure that the *financial conglomerate* meets levels of capital adequacy based on or stated to be based on Annex I of the *Financial Groups Directive*.~~

2 DEFINITION OF A FINANCIAL CONGLOMERATE

- 2.5 In respect of a *financial conglomerate* in relation to which a *financial conglomerate notification* has been issued, the figures in Annex 1 are altered as follows:

- (1) the figure of 40% in the box titled Threshold Test 1 is replaced by 35%;
- (2) the figure of 10% in the box title Threshold Test 2 is replaced by 8%; and
- (3) the figure of six billion Euro in the box titled Threshold Test 3 is replaced by five billion Euro.

3 CAPITAL ADEQUACY

- 3.4 (1) Subject to 3.5, the definitions of conglomerate capital resources and conglomerate capital resources requirement that apply for the purposes of 3.3 are the definitions from whichever of Part 1 or Part 2 of Annex 2 the firm has indicated to the PRA it will apply to the group or each part of the group.
- (2) The firm must indicate to the PRA in advance which Part of Annex 2 it intends to apply to the group or each part of the group.

...

4 RISK CONCENTRATION AND INTRA-GROUP TRANSACTIONS

...

- 4.2 A firm that is a member of a ~~UK regulated~~ *EEA financial conglomerate* in respect of which a *financial conglomerate notification* has been issued, and that is headed by a *mixed financial holding company* must ensure compliance with the *sectoral rules*, identified for these purposes in the table at 4.3, regarding *risk concentration* and *intra-group transactions* of the *most important financial sector* in that *financial conglomerate* with respect to that *financial sector* as a whole, including the *mixed financial holding company*.

...

5 ASSET MANAGEMENT COMPANIES AND ALTERNATIVE INVESTMENT FUND MANAGERS

- 5.1 A firm must treat an *asset management company* and an *alternative investment fund manager* that is a member of a *financial conglomerate* of which that firm is a member:
- ...
- (2) In the case of a *financial conglomerate* for which the PRA is the *coordinator*, a firm must allocate an *asset management company* and an *alternative investment fund manager*:
- (a) to the *investment services sector* where a decision to that effect has been made by ~~the undertaking in the financial conglomerate that is the group member referred to in Article 4(2) of the Financial Groups Directive~~ the relevant member referred to in regulation 2(4) of the Financial Conglomerates Regulations;

...

6 THIRD COUNTRY FINANCIAL CONGLOMERATE

- 6.1 This Chapter applies to a firm that is a member of a *third country financial conglomerate* except:

- (1) ~~an incoming EEA firm; or [deleted.]~~
- (2) ~~an incoming Treaty firm; or [deleted.]~~

...

7 RISK SYSTEMS

7.1 This Chapter applies to a *firm* that is a member of a ~~UK regulated~~ *EEA financial conglomerate* in respect of which a *financial conglomerate notification* has been issued.

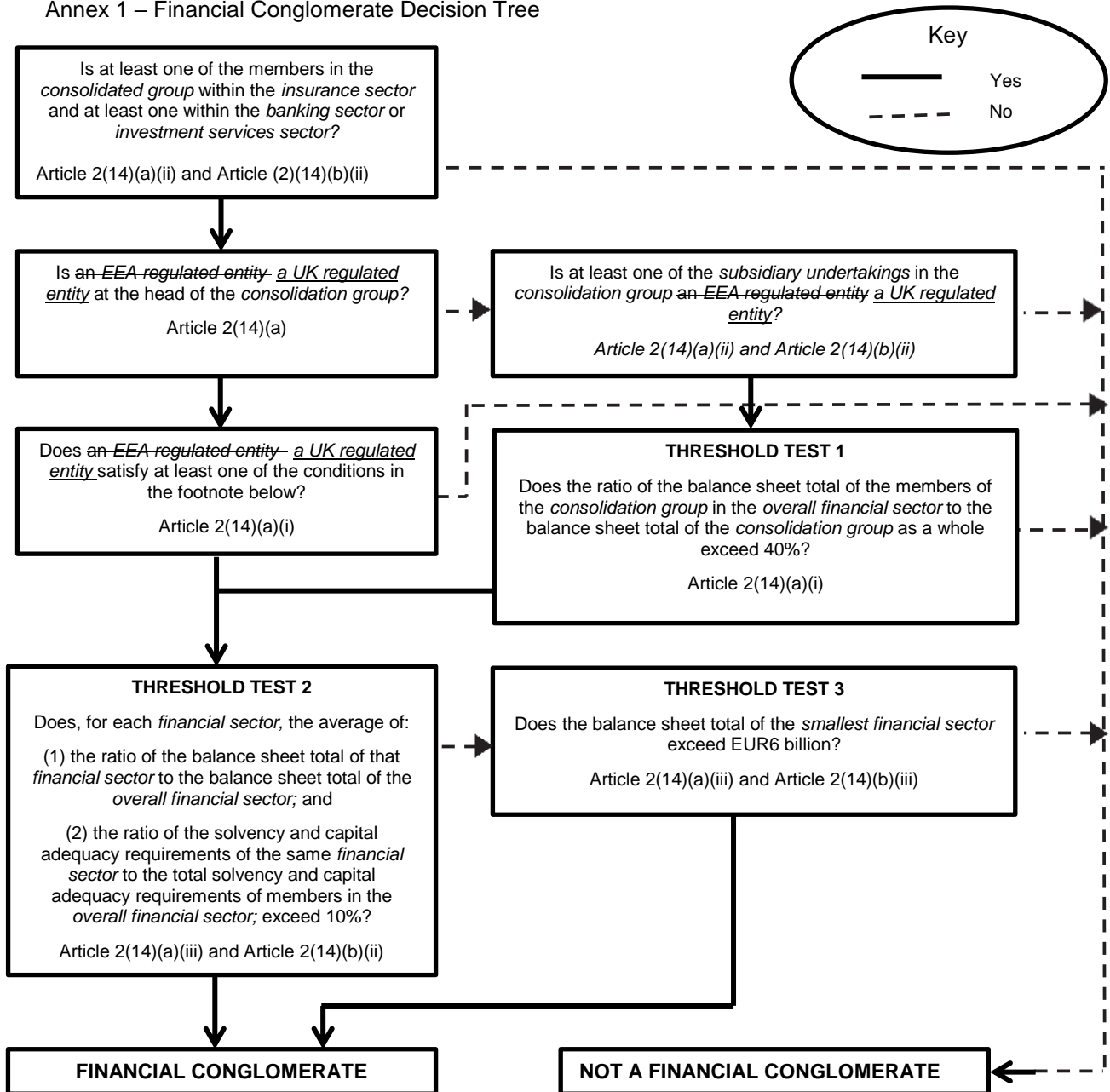
...

8 TRANSITIONALS

8.2 Correlation table:

COLUMN A	COLUMN B	COLUMN C
Financial Conglomerates Directive	(PRA Handbook as at 31 December 2015)	Financial Conglomerates (PRA Rulebook)
Art 3.3 Regulation 16 of the <i>Financial Conglomerates Regulations</i>	Rule 3.1.5 <i>waiver</i>	Rule 2.1 <i>waiver</i>
Art 3.3a Regulation 17 of the <i>Financial Conglomerates Regulations</i>		
Art 3.5 Regulation 19 of the <i>Financial Conglomerates Regulations</i>	Rule 3.1.11 <i>waiver</i>	Rule 2.7 <i>waiver</i>
Art 3.4(b) Regulation 18(b) of the <i>Financial Conglomerates Regulations</i>		
Art 6(5) Regulation 24 of the <i>Financial Conglomerates Regulations</i>	Rule 3.1.29 <i>waiver</i>	Rule 3.3 <i>waiver</i>

Annex 1 – Financial Conglomerate Decision Tree



Footnote: The conditions are that the ~~EEA regulated entity~~ UK regulated entity at the head of the consolidation group: (1) is a parent undertaking of a member of the consolidation group in the overall financial sector, (2) has a participation in a member of the consolidation group that is in the overall financial sector, or (3) has a consolidation ~~Article 12(1) relationship~~ common management relationship with a member of the consolidation group that is in the overall financial sector.

Annex 2 – Capital Adequacy Calculations for Financial Conglomerates

...

3 Table

Types of financial conglomerate	<p>3.1 (1) This paragraph sets out how to determine the category of <i>financial conglomerate</i>.</p> <p>(2) If there is an EEA a <u>UK</u> regulated entity at the head of the <i>financial conglomerate</i>, then:</p> <p>(a) if that entity is in the <i>banking sector</i> or the <i>investment services sector</i>, the <i>financial conglomerate</i> is a <i>banking and investment services conglomerate</i>; or</p> <p>(b) if that entity is in the <i>insurance sector</i>, the <i>financial conglomerate</i> is an <i>insurance conglomerate</i>.</p> <p>(3) If (2) does not apply and the <i>most important financial sector</i> is the <i>banking and investment services sector</i>, it is a <i>banking and investment services conglomerate</i>.</p> <p>(4) If (2) and (3) do not apply, it is an <i>insurance conglomerate</i>.</p>
---------------------------------	--

...

5 Table Part 3: Principles applicable to all methods

...

Application of sectoral rules: general	<p>5.4 The following adjustments apply to the <i>applicable sectoral rules</i> as they are applied by the rules in this Annex.</p> <p>(1) If any of those rules would otherwise not apply to a situation in which they are applied by this Annex, those rules nevertheless still apply (and in particular, any of those rules that would otherwise have the effect of disapplying consolidated supervision do not apply).</p> <p>(2) If it would not otherwise have been included, an <i>ancillary insurance services undertaking</i> is included in the <i>insurance sector</i>.</p> <p>(3) The scope of those rules is amended so as to remove restrictions relating to where members of the <i>financial conglomerate</i> are incorporated or have their head office, so that the scope covers every member of the <i>financial conglomerate</i> that would have been included in the scope of those rules if those members had their head offices in <u>the UK</u> an EEA State.</p> <p>(4) For the purposes of Parts 1 to 2, those rules must be adjusted, if necessary, when calculating the capital resources, capital resources requirements or solvency requirements for a particular <i>financial sector</i> to exclude those for a member of another <i>financial sector</i>.</p> <p>(5) Any <i>waiver</i> granted to a member of the <i>financial conglomerate</i> under those rules does not apply for the purposes of this annex.</p>
--	--

...

6 Table: Part 4: Definitions used in this Annex

...

Solo capital resources	<p>6.4 (1) The <i>solo capital resources requirement</i> of an <i>undertaking</i> in the <i>insurance sector</i> is:</p>
------------------------	--

requirement: insurance sector	(a)	in respect of a <i>UK Solvency II firm</i> , the <i>SCR</i> ;
	(b)	in respect of a <i>Solvency II undertaking</i> other than a <i>UK Solvency II firm</i>, the equivalent of the <i>SCR</i> as calculated in accordance with the <i>Solvency II EEA implementing measures</i> in the <i>EEA State</i> in which it has received authorisation in accordance with article 14 of the <i>Solvency II Directive</i>; [deleted.]
	(c)	in respect of a <i>third country insurance undertaking</i> or <i>third country reinsurance undertaking</i> to which Group Supervision, 10.4(2) applies, the equivalent of the <i>SCR</i> as calculated in accordance with the applicable requirements in that <i>third country</i> ;
	(d)	in respect of any <i>undertaking</i> which is not within (a) to (c), the capital resources requirement calculated according to the rules for the calculation of the solo capital resources requirement applicable to that <i>undertaking</i> for the purposes of the calculation referred to in Group Supervision and Chapter I of Title II of the <i>delegated acts</i> or, if no rules are applicable for that calculation under Group Supervision and Chapter I of Title II of the <i>delegated acts</i> , in accordance with the <i>SCR Rules</i> .
Solo capital resources requirement: EEA firms in the banking sector or investment services sector [Deleted.]	6.5	<p>The <i>solo capital resources requirement</i> for an <i>EEA regulated entity</i> (other than a <i>bank</i>, <i>building society</i>, <i>designated investment firm</i>, <i>IFPRU investment firm</i> as defined in the <i>FCA Handbook</i>, <i>BIPRU firm</i> as defined in the <i>FCA Handbook</i>, an <i>insurer</i> or an <i>EEA insurer</i>) that is subject to the solo capital adequacy sectoral rules for its <i>financial sector</i> of the <i>competent authority</i> that authorised it is equal to the amount of capital it is obliged to hold under those <i>sectoral rules</i> provided that the following conditions are satisfied. [Deleted]</p> <p>(1) for the purposes of the <i>banking sector</i> and the <i>investment services sector</i>, those <i>sectoral rules</i> must correspond to the <i>PRA sectoral rules</i> identified in paragraph 6.2 as applying to that <i>financial sector</i>;</p> <p>(2) the entity must be subject to those <i>sectoral rules</i> in (1); and</p> <p>(3) paragraph 6.3 applies to the entity and those <i>sectoral rules</i>.</p>
Solo capital resources requirement: non-EEA	6.6	The <i>solo capital resources requirement</i> for a <i>recognised third country credit institution</i> or a <i>recognised third country investment firm</i> is the amount of capital resources that it is obliged to hold

firms non-UK firms subject to equivalent regimes in the banking sector or investment services sector

under the *sectoral rules* for its *financial sector* that apply to it in the state or territory in which it has its head office provided that:

- (1) there is no reason for the *firm* applying the rules in this Annex to believe that the use of those *sectoral rules* would produce a lower figure than would be produced under paragraph 6.2; and
- (2) paragraph 6.3 applies to the entity and those *sectoral rules*.

Annex 3 –Prudential Rules for Third Country Financial Conglomerates (6.2)

...

2 Table: PART 2: Adjustment of scope

2.1	<p>The adjustments that must be carried out under this paragraph are that the scope of the rules referred to in Part 1 of this Annex, are amended:</p> <ul style="list-style-type: none"> (1) to remove any provisions disapplying those rules for <i>third country financial conglomerates</i>; (2) to remove all limitations relating to where a member of the <i>third country financial conglomerate</i> is incorporated or has its head office; and (3) so that the scope covers every member of the <i>third country financial conglomerate</i> that would have been included in the scope of those rules if those members had their head offices in, and were incorporated in, and an EEA State the <i>UK</i>.
-----	---

Annex V**Amendments to the Fitness and Propriety Part**

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

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* that is:

- (1) a *CRR firm*;
- (2) a *credit union*; or
- (3) a *third country CRR firm* in relation to: ~~the activities of its establishment in the UK.~~
 - (a) the activities of its establishment in the UK; or
 - (b) if it does not have an establishment in the UK, activities in the UK.

...

Annex W

Amendments to the Friendly Society – Liability Valuation Part

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

...

11 RATES OF INTEREST

...

- 11.8 For the purposes of 11.7, the *issuer's* profits after taxation from its ordinary activities for the relevant *financial year* must be derived from accounts drawn up in accordance with legislation implementing the *Accounts Directives* or, if accounts are not so drawn up in accordance with ~~the *Accounts Directives*~~, from accounts drawn up in accordance with International Accounting Standards Committee accounting standards or US generally accepted accounting practice.

...

Annex X

Amendments to the FSCS Management Expenses Levy Limit and Base Costs 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:

...

CRO insurer

has the meaning given in the Policyholder Protection Part.

...

participant firm

(1) has the meaning given in paragraph A (2) of the *PRA Handbook* Glossary definition of 'participant firm' as at 29 February 2016 for the purposes of the *PRA's* rules and has the meaning given in the *FCA Handbook* for the purposes of the *FCA's* rules in FEES 1; and

(2) includes CRO insurers.

Annex Y

Amendments to the General Organisational Requirements Part

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

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to a *CRR firm*:

...

(2) ~~with respect to the carrying on of *passport activities* by it from a *branch* in another *EEA state*; [deleted.]~~

...

1.1A 2.1 to 2.8 do not apply to a *firm* with respect to the carrying on of *benchmarking activities* except to the extent that ~~they transpose an *EU instrument*~~ those rules constitute *retained EU law* within the meaning of the European Union (Withdrawal) Act 2018.

Annex Z

Amendments to the General Provisions Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

~~incoming ECA provider~~

~~has the meaning given in the FCA Handbook.~~

...

SRO firm with a top-up permission

means a firm to which regulation 34 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions (EU Exit) Regulations 2018 applies

SRO firm without a top-up permission

means a firm to which regulation 28 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 applies.

State of the risk

~~means references to the EEA State in which a risk is situated in accordance with paragraphs 6(3) and 6(4) of Schedule 12 to FSMA.~~

...

TPR firm

means a firm to which regulation 8 or regulation 11 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 applies.

TPR firm with a top-up permission

means a firm to which regulation 11 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions (EU Exit) Regulations 2018 applies

TPR firm without a top-up permission

means a firm to which regulation 8 of the EEA Passport Rights Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 applies

...

3 DISCLOSURE TO RETAIL CLIENTS

3.1 This Chapter

...

- (2) does not apply to:
- (a) ~~an incoming ECA provider when the firm is acting as such; [deleted.]~~
 - (b) ~~an incoming EEA firm which has permission only for cross border services and which does not carry on regulated activities in the UK; [deleted.]~~
 - (c) ~~an incoming firm not falling under (a) and (b), to the extent that the firm is subject to equivalent rules imposed by its home Member State; [deleted.]~~
 - ...
 - (e) general insurance business if:
 - (i) ~~the State of the risk is an EEA State other than the UK; or [deleted.]~~
 - (ii) ~~the State of the risk is outside the EEA UK and the policyholder is not in the UK when the contract of insurance is entered into;~~
 - ...
 - (f) long-term insurance business if:
 - (i) ~~the policyholder's habitual residence is in an EEA State other than the UK; or [deleted.]~~
 - (ii) ~~the policyholder's habitual residence is outside the EEA UK and the policyholder is not present in the UK when the contract of insurance is entered into; or~~
 - ...

3.2 A firm must take reasonable care to ensure that every letter (or electronic equivalent) which it or its employees send to a retail client, which a view to or in connection with the firm carrying on a regulated activity, includes the following disclosure:

- ...
- (2) for an overseas firm (which is not an incoming firm a TPR firm or a SRO firm)"[Authorised and regulated by [name of the overseas regulator of the overseas firm in the jurisdiction of that overseas firm's registered office (or, if it has no registered office, its head office)]]. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request."
- (a) If the overseas firm (which is not an incoming firm) translates the name of the overseas regulator into English it must ensure that the State in which the regulator is based is clear;
 - (b) An overseas firm (which is not an incoming firm) is not required to disclose its applicable authorisation or regulation by the overseas regulator if it is not so authorised or regulated.
- (3) for an incoming firm without a top-up permission either: [deleted.]
- (a) "Authorised by [name of home Member State regulator]"; or
 - (b) "Authorised by [name of home Member State regulator] and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation

~~Authority. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request".~~

If the *incoming firm* without a *top-up permission*:

...

- ~~(c) translates the name of the *home Member State* regulator into English it must ensure that the State in which the regulator is based is clear;~~
- ~~(d) indicates or implies to a *customer* that is regulated by the *PRA* or the *FCA*, it must make the disclosure in (b).~~
- (4) for an *incoming firm* with a *top-up permission*, "Authorised by [name of *home Member State* regulator] and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available from us on request"; ~~[deleted.]~~

If the *incoming firm* with a *top-up permission* translates the name of the *home Member State* regulator into English it must ensure that the State in which the regulator is based is clear.

...

- (4A) for an *overseas firm* that is a *TPR firm without a top-up permission*, "Authorised and regulated by [name of the overseas regulator of the *overseas firm* in the jurisdiction of that *overseas firm's* registered office (or, if it has no registered office, its head office)]. Deemed authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website."

If the *firm* translates the name of the overseas regulator into English it must ensure that the State in which the regulator is based is clear.

- (4B) for an *overseas firm* that is a *TPR firm with a top-up permission*, "Authorised and regulated by [name of the overseas regulator of the *overseas firm* in the jurisdiction of that *overseas firm's* registered office (or, if it has no registered office, its head office)]. Authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website."

If the *firm* translates the name of the overseas regulator into English it must ensure that the State in which the regulator is based is clear.

- (4C) for an *overseas firm* that is an *SRO firm without a top-up permission*, "Authorised and regulated by [name of the overseas regulator of the *overseas firm* in the jurisdiction of that *overseas firm's* registered office (or, if it has no registered office, its head office)]. Deemed authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation

Authority. Details of the Financial Services Contracts Regime, which allows EEA-based firms to operate in the UK for a limited period to carry on activities which are necessary for the performance of pre-existing contracts, are available on the Financial Conduct Authority's website."

If the *firm* translates the name of the overseas regulator into English it must ensure that the State in which the regulator is based is clear.

- (4D) for an overseas firm that is a SRO firm with a top-up permission, "Authorised and regulated by [name of the overseas regulator of the overseas firm in the jurisdiction of that overseas firm's registered office (or, if it has no registered office, its head office)]. Authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Financial Services Contracts Regime, which allows EEA-based firms to operate in the UK for a limited period to carry on activities which are necessary for the performance of pre-existing contracts, are available on the Financial Conduct Authority's website."

If the *firm* translates the name of the overseas regulator into English it must ensure that the State in which the regulator is based is clear.

5 STATEMENTS ABOUT AUTHORISATION AND REGULATION BY THE PRA

5.1 This Chapter:

- (1) subject to (2), applies to:

...

- (b) activities carried on from an establishment maintained by the *firm* (or by its *appointed representative*) in the UK, provided that, in the case of the *MiFID or equivalent third country business of the firm* ~~business of an incoming EEA firm~~, it only applies to business conducted within the territory of the UK;

...

- (2) does not apply to:

- (a) ~~an incoming ECA provider when the firm is acting as such; [deleted.]~~
- (b) ~~an incoming EEA firm which has permission only for cross border services and which does not carry on regulated activities in the UK; [deleted.]~~
- (c) ~~an incoming a third country firm not falling under (a) or (b), to the extent that the firm is subject to equivalent rules imposed by its home Member State;~~

...

6 DISCLOSURE TO RETAIL CLIENTS ON ACTIVITIES FROM NON-UK ESTABLISHMENTS

6.1 This Chapter:

...

- (2) does not apply to:

- (a) ~~an incoming ECA provider when the firm is acting as such; [deleted.]~~

- (b) ~~an incoming EEA firm which has permission only for cross border services and which does not carry on regulated activities in the UK; [deleted.]~~
- (c) ~~an incoming a third country firm not falling under (a) or (b), to the extent that the firm is subject to equivalent rules imposed by its home Member State;~~

...

7 INSURANCE AGAINST FINANCIAL PENALTIES

- 7.1 ~~This Chapter applies to every firm, but only with respect to business that can be regulated under section 137G of FSMA.~~

...

Annex AA

Amendments to the Group Financial Support Part

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

1 APPLICATION AND DEFINITIONS

...

1.3 In this Part, the following definitions shall apply:

competent authority

means: ~~a public authority or body officially recognised by national law which is empowered by national law to supervise institutions as part of the supervisory system in operation in the EEA State concerned or the European Central Bank with regard to the specific tasks conferred on it by Article 4 of Council Regulation (EU) No. 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.~~

(1) the PRA, in respect of PRA-*authorised persons*;

(2) the FCA, in respect of any other *person*;

conditions for early intervention

means circumstances in which an *institution* infringes or is likely in the near future to infringe the requirements of the *CRR*, ~~the~~ or the requirements of provisions implementing CRD, MiFID II or any of Articles 3 - 7, 14 - 17 and 24, - 26 of *MiFIR*.

~~EEA consolidating supervisor~~

means ~~a competent authority responsible under the CRD for the exercise of supervision on a consolidated basis of:~~

(1) ~~an EEA parent institution; or~~

(2) ~~institutions controlled by an EEA parent financial holding company or an EEA parent mixed financial holding company.~~

~~EEA parent financial holding company~~

means ~~a parent financial holding company in an EEA State which is not a subsidiary of an institution authorised in any EEA State or of another financial holding company or mixed financial holding company set up in any EEA State.~~

~~EEA parent institution~~

means ~~a parent institution in an EEA State which is not a subsidiary of another institution authorised in an EEA State or of a financial holding company or mixed financial holding company set up in any EEA State.~~

~~EEA parent mixed financial holding company~~

means ~~a parent mixed financial holding company in an EEA State which is not a subsidiary of an institution authorised in any EEA State or of another financial holding company or mixed financial holding company set up in any EEA State.~~

~~EEAUK parent undertaking~~

means ~~an EEA a UK parent institution, an EEA a UK parent financial holding company or an EEA a UK parent mixed financial holding company.~~

...

group financial support agreement

means an agreement between:

- (1) a UK parent institution, ~~in an EEA State, an EEA parent institution~~ or a qualifying parent undertaking, a financial holding company, a mixed financial holding company or a mixed-activity holding company established in an EEA State established in the UK; and
- (2) a *subsidiary* of an entity referred to in (1) set up ~~in a different EEA State to that of the entity referred in (1) or~~ in a *third country* and that is an *institution* or a *financial institution* covered by the consolidated supervision of the entity referred to in (1),

to provide financial support to a party that is an *institution* at a time when that *institution* meets the *conditions for early intervention*.

...

management body

means a *BRRD undertaking's* body or bodies, which are appointed in accordance with ~~national UK~~ law, which are empowered to set the *BRRD undertaking's* strategy, objectives and overall direction, and which oversee and monitor management decision-making, and include the *persons* who effectively direct the business of the *BRRD undertaking*.

...

~~*parent institution in an EEA State*~~

~~means an institution authorised in an EEA State which has an institution or financial institution as subsidiary or which holds a participation in such an institution or financial institution, and which is not itself a subsidiary of another institution authorised in the same EEA State or of a financial holding company or mixed financial holding company set up in the same EEA State.~~

~~*parent financial holding company in an EEA State*~~

~~means a financial holding company which is not itself a subsidiary of an institution authorised in the same EEA State, or of a financial holding company or mixed financial holding company set up in the same EEA State.~~

~~*parent mixed financial holding company in an EEA State*~~

~~means a mixed financial holding company which is not itself a subsidiary of an institution authorised in the same EEA State, or of a financial holding company or mixed financial holding company set up in the same EEA State.~~

...

2 GROUP FINANCIAL SUPPORT AGREEMENT

...

- 2.2 A *BRRD undertaking* must not enter into a proposed *group financial support agreement* if:
- (1) the ~~EEA~~ consolidating supervisor has not granted permission to do so; or
 - (2) at the time the proposed agreement is made, a the competent authority has decided that a party to the agreement that is an *institution* meets the *conditions for early intervention*.

3 SUBMISSION OF GROUP FINANCIAL SUPPORT AGREEMENT

- 3.1 This Chapter applies to a *BRRD undertaking* which is ~~an EEA~~ a *UK parent undertaking*, unless the *FCA* is the ~~EEA~~ consolidating supervisor of its *group*.
- 3.2 If a *BRRD undertaking* or any member of its *group* intends to enter into a *group financial support agreement*, or amend a *group financial support agreement* previously authorised by ~~an EEA~~ the consolidating supervisor, the *BRRD undertaking* must submit to the ~~EEA~~ consolidating supervisor an application for authorisation of the proposed agreement or amendment.

...

4 CONDITIONS FOR GROUP FINANCIAL SUPPORT

- 4.1 A *BRRD undertaking* must not provide financial support in accordance with a *group financial support agreement* unless the following conditions are met:
- ...
- (7) where a *firm* provides the financial support, it complies at the time the financial support is provided, with the requirements of the provisions implementing CRD relating to capital or liquidity and any requirements of provisions implementing imposed pursuant to Article 104(2) of the CRD and the provision of the financial support does not cause the *firm* to infringe those requirements;

...

6 NOTIFICATION OF PROPOSED GROUP FINANCIAL SUPPORT

- 6.1 A *BRRD undertaking* that intends to provide financial support in accordance with a *group financial support agreement* must ensure that its *management body* notifies:
- ...
- (2) the *FCA* where it is the *consolidating supervisor* ~~where different from the authorities in (1) and (3), where applicable, the EEA consolidating supervisor,~~
 - (3) ~~where different from the authorities in (1) and (2), the competent authority of the group member receiving the financial support; and [deleted.]~~
 - (4) the ~~EBA~~, [deleted.]

before it provides that financial support.

...

7 PROVISION AND NOTIFICATION OF GROUP FINANCIAL SUPPORT

...

7.3 Where the *management body* of a *BRRD undertaking* decides to provide the financial support, that *BRRD undertaking* must notify:

...

- (2) the FCA where it is the *consolidating supervisor* ~~where different from the authorities in (1) and (3), where applicable, the *EEA consolidating supervisor*,~~
- (3) ~~where different from (1) and (2), the *competent authority* of the *group member* receiving the financial support; and [deleted.]~~
- (4) ~~the *EBA*. [deleted.]~~

Annex AB

Amendments to the Group Risk Systems Part

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

1 APPLICATION AND DEFINITIONS

...

1.3 In this Part, the following definitions shall apply:

group

means, in relation to a *person* ("A), A and any *person*:

(2) who has an ~~Article 12(1) relationship~~ a common management relationship with A;

(3) who has an ~~Article 12(1) relationship~~ a common management relationship with any *person* in (1);

2 GROUP SYSTEMS AND CONTROLS

...

2.3 A *firm* must comply with 2.1(2) in relation to any *UK consolidation group* or non-EEAUK sub-group of which it is a member, as well as in relation to its *group*.

...

Annex AC

Amendments to the Group Supervision Part

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

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

- (1) every *UK Solvency II firm*:
- (a) that is a member of a *group* for which the *PRA* is the *group supervisor*;
 - (b) ~~that is a member of a group for which a supervisory authority (other than the PRA) is the group supervisor, subject to (c) and to the extent this Part gives effect to the Solvency II EEA implementing measures in the EEA State of its group supervisor, and [deleted.]~~
 - (c) ~~where the group supervisor of a group of which a firm is a member is a supervisory authority in an EEA State other than the UK, the requirements of the Solvency II EEA implementing measures in that EEA State apply to the firm in relation to its capacity as a member of that group; [deleted.]~~

1.2 In this Part, the following definitions shall apply:

...

group supervisor

means (in relation to a *group*) the *PRA* in accordance with regulation 26 of The *Solvency 2 Regulations*. ~~authority designated as group supervisor in relation to that group, in accordance with Article 247 of the *Solvency II Directive*.~~

...

intermediate holding company

means an *insurance holding company* or a *mixed financial holding company* through which a ~~*Solvency II undertaking*~~ *UK Solvency II firm* in a *group* holds a *participation* in a ~~*related Solvency II undertaking*~~ *related UK Solvency II firm*, a *third country insurance undertaking* or a *third country reinsurance undertaking*.

...

mixed activity insurance holding company

means a *parent undertaking*, other than a ~~*Solvency II undertaking*~~ *UK Solvency II firm*, a *third-country insurance undertaking*, a *third-country reinsurance undertaking*, an *insurance holding company* or a *mixed financial holding company*, the *subsidiary undertakings* of which include at least one ~~*Solvency II undertaking*~~ *UK Solvency II firm*.

...

~~*related Solvency II undertaking*~~ *UK Solvency II firm*

means a ~~Solvency II undertaking~~ UK Solvency II firm that is a *related undertaking* of another *undertaking*.

related undertaking

means, in relation to an *undertaking* ("U"):

- (1) any *subsidiary undertaking* of U; or
- (2) any *undertaking* in which U or any of U's *subsidiary undertakings* holds a *participation*; or
- (3) any *undertaking* linked to U by an ~~Article 12(1) relationship~~ a common management relationship; or
- (4) any *undertaking* linked by an ~~Article 12(1) relationship~~ a common management relationship to an *undertaking* in (1), (2) or (3).

solvency deficit

means the amount (if any) by which the *related undertaking's eligible own funds* fall short of its solvency capital requirement under the *SCR Rules*, ~~or the relevant Solvency II EEA implementing measures as appropriate.~~

...

2 CASES OF APPLICATION AND SCOPE OF GROUP SUPERVISION

2.1 This Part applies at the level of the *group* to types of *groups* where:

~~either:~~

- (1a) a *UK Solvency II firm* is a *participating undertaking* in at least one other ~~Solvency II undertaking~~ UK Solvency II firm, *third country insurance undertaking* or *third country reinsurance undertaking*; or
- (b) ~~a Solvency II undertaking (other than a UK Solvency II firm) is a participating undertaking in a UK Solvency II firm; or~~
- (2) the *parent undertaking* of a *UK Solvency II firm* is an *insurance holding company* or a *mixed financial holding company* which has its head office in the UK ~~an EEA State~~; or
- (3) the *parent undertaking* of a *UK Solvency II firm* is an *insurance holding company* or a *mixed financial holding company* which does not have its head office in ~~an EEA State~~ the UK or is a *third country insurance undertaking* or a *third country reinsurance undertaking*; or
- (4) the *parent undertaking* of a *UK Solvency II firm* is a *mixed activity insurance holding company*

2.2 Where, in accordance with 2.1, this Part applies at the level of a *group*, that *group* consists of all *undertakings* within the relevant *group*, subject to 2.3 and 3 and provided that:

- (1) where 2.1(1) applies, the definition of a *group* must be applied to the ~~participating Solvency II undertaking~~ participating UK Solvency II firm, its *subsidiary undertakings*, the *undertakings* in which it holds a *participation* and *undertakings* to which it is linked by an ~~Article 12(1) relationship~~ a common management relationship or, where applicable, to the *undertakings* in a *mutual-type group*;
- (2) where 2.1(2) applies, the definition of a *group* must be applied to the *insurance holding company* or *mixed financial holding company*, its *subsidiary undertakings*, the *undertakings* in which it holds a *participation* and *undertakings* to which it is linked by an ~~Article 12(1) relationship~~ a common management relationship or, where applicable, to the *undertakings* in a *mutual-type group*;
- (3) where 2.1(3) applies, the definition of a *group* must be applied to the *insurance holding company* or *mixed financial holding company*, *third country insurance undertaking* or *third country reinsurance undertaking* (as applicable), its *subsidiary undertakings*, the *undertakings* in which it holds a *participation* and *undertakings* to which it is linked by an ~~Article 12(1) relationship~~ a common management relationship or, where applicable, to the *undertakings* in a *mutual-type group*; and
- (4) where 2.1(4) applies, the definition of a *group* must be applied to the *mixed activity insurance holding company*, its *subsidiary undertakings*, the *undertakings* in which it holds a *participation* and *undertakings* to which it is linked by an ~~Article 12(1) relationship~~ a common management relationship or, where applicable, to the *undertakings* in a *mutual-type group*.
- 2.3 Where the PRA as *group supervisor* has granted a *waiver* ~~or where a supervisory authority which is the group supervisor has decided, in accordance with Article 214 of the Solvency II Directive~~, not to include an *undertaking* in the *group supervision* referred to in 2.1:
...
- 2.4 The provisions of the *Solvency II Firms Sector* of the PRA Rulebook concerning the supervision of *firms* ~~(or the Solvency II EEA implementing measures in relation to Solvency II undertakings which are members of a group for which the PRA is the group supervisor)~~ taken individually continue to apply to those *undertakings*, except where otherwise provided under this Part.
...

3 LEVELS

- 3.1 If the ~~participating Solvency II undertaking~~ participating UK Solvency II firm or the *insurance holding company* or *mixed financial holding company* referred to in 2.1(1) or 2.1(2) is itself a *subsidiary undertaking* of another ~~Solvency II undertaking~~ UK Solvency II firm or of another *insurance holding company* or *mixed financial holding company* which has its head office in the UK ~~an EEA State~~, then 4 to 19 apply only at the level of the ultimate ~~Solvency II undertaking~~ UK Solvency II firm, *insurance holding company*, or *mixed financial holding company* in the *group* which has its head office in the UK ~~an EEA State~~.
- 3.2 If the PRA makes a decision referred to in Article 216(1) or 217(1) of the ~~Solvency II Directive~~ (*group supervision at national level*) then 4 to 19 apply with any necessary changes, subject to Articles 216(6) and 217 of the ~~Solvency II Directive~~ and the following: [Deleted.]
- (1) *group supervision of the ultimate parent undertaking at national level* is restricted to those remaining rules of 4 to 19 if the *firm* is granted a *waiver* of such other sections as would otherwise apply to a *group*; and

- (2) ~~no firm in the group may introduce, in accordance with 15.1(5), an application for permission to subject any subsidiary undertakings in the group to 15.3~~

4 GROUP SUPERVISION – GROUP SOLVENCY GENERAL PROVISIONS

- 4.1 Where 2.1(1) applies, each ~~participating Solvency II undertaking~~ participating UK Solvency II firm ~~that is a firm~~ in the group and each relevant insurance group undertaking must ensure that eligible own funds are available in the group which are always at least equal to the group SCR as calculated in accordance with 7 to 12.

...

- 4.4 Relevant insurance group undertakings must:

...

- (4) if the PRA has extended the period referred to in (3) by reason of the declaration:

- (a) (before exit day) by EIOPA; or
- (b) (on or after exit day) by the PRA pursuant to regulation 4A of the Solvency 2 Regulations 2015

of an exceptional adverse situation affecting the group, submit a progress report to the PRA every three months setting out the measures taken and the progress made to re-establish the level of own funds covering the group SCR or to reduce the risk profile to ensure compliance with the group SCR.

...

5 GROUP SOLVENCY: FREQUENCY OF CALCULATIONS

- 5.2 The relevant data for, and the results of, the calculations referred to in 4.1 and 4.2 must be submitted to the group supervisor by:

- (1) the ~~participating Solvency II undertakings~~ participating UK Solvency II firm referred to in 4.1, or by any one of them, in the case of the calculations referred to in 4.1; or
- (2) the UK holding company or such other undertaking in the group as may be determined by the group supervisor in accordance with ~~Article 249(1) of the Solvency II Directive~~ regulation 15(1)(c) of the Solvency 2 Regulations, in the case of the calculations referred to in 4.2

- 5.3 ...

- (3) Upon request by the group supervisor, ~~in accordance with Article 249(2) of the Solvency II Directive~~, the group SCR must be recalculated without delay and reported to the group supervisor.

7 GROUP SOLVENCY: BASIC PRINCIPLES

- 7.1 The calculation of the solvency at the level of the group of the ~~Solvency II undertakings~~ UK Solvency II firms referred to in 2.1(1) must be carried out:

...

- (2) in accordance with *method 1*, unless the *group supervisor* has ~~determined under Article 220(2) of the Solvency II Directive~~ imposed a requirement that *method 2* or a combination of *method 1* and *method 2* must be applied.

8 GROUP SOLVENCY: PROPORTIONAL SHARES

...

8.3 Notwithstanding 8.2:

- (1) where the *related undertaking* is a *subsidiary undertaking* and does not have sufficient *eligible own funds* to cover its *SCR*, the total *solvency deficit* of the *subsidiary undertaking* must be taken into account (or a proportional share of that *solvency deficit*, if the *group supervisor* so determines under ~~Article 221(4) of the Solvency II Directive~~ regulation 17(4) of the *Solvency 2 Regulations*); and
- (2) the proportional share must be as determined by the *group supervisor* if such a determination is made under ~~Article 221(2) of the Solvency II Directive~~ regulation 17(2) of the *Solvency 2 Regulations*.

9 GROUP SOLVENCY: ELIMINATION OF DOUBLE USE OF ELIGIBLE OWN FUNDS AND INTRA-GROUP CREATION OF CAPITAL AND VALUATION

9.1 *Own funds eligible for the SCR* must not be taken into account more than once among the different ~~Solvency II undertakings~~ UK Solvency II firms taken into account in the calculation of the solvency of a *group*. For that purpose, when calculating the solvency of a *group* and where *method 1* and *method 2* do not provide for it, the following amounts must be excluded:

- (1) the value of any asset of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm which represents the financing of *own funds eligible for the SCR* of one of its ~~related Solvency II undertakings~~ related UK Solvency II firms;
- (2) the value of any asset of a ~~related Solvency II undertaking~~ related UK Solvency II firm of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm which represents the financing of *own funds eligible for the SCR* of that ~~participating Solvency II undertaking~~ participating UK Solvency II firm; and
- (3) the value of any asset of a ~~related Solvency II undertaking~~ related UK Solvency II firm of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm which represents the financing of *own funds eligible for the SCR* of any other ~~related Solvency II undertaking~~ related UK Solvency II firm of that ~~participating Solvency II undertaking~~ participating UK Solvency II firm.

9.2 Without prejudice to 9.1 or 9.3, the following must be excluded in the calculation of the solvency of a *group* unless they are, and only insofar as they are, eligible for covering the *SCR* of the *related undertaking* concerned:

- (1) surplus funds falling under ~~Article 91(2) of the Solvency II Directive~~ Surplus Funds 2.2 arising in a ~~related Solvency II undertaking~~ related UK Solvency II firm of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm for which the solvency of a *group* is calculated; and
- (2) any subscribed but not paid-up capital of a ~~related Solvency II undertaking~~ related UK Solvency II firm of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm for which the solvency of a *group* is calculated.

- ...
- 9.3 Without prejudice to 9.1, the following must, in any event, be excluded from the calculation:
- ...
- (2) subscribed but not paid-up capital of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm which represents a potential obligation on the part of a ~~related Solvency II undertaking~~ related UK Solvency II firm; and
- (3) subscribed but not paid-up capital of a ~~related Solvency II undertaking~~ related UK Solvency II firm which represents a potential obligation on the part of another ~~related Solvency II undertaking~~ related UK Solvency II firm of the same ~~participating Solvency II undertaking~~ participating UK Solvency II firm
- 9.4 Where the PRA considers that certain *own funds eligible for the SCR* of a ~~related Solvency II undertaking~~ related UK Solvency II firm (other than those referred to in 9.2 and 9.3) cannot effectively be made available to cover the SCR of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm for which the solvency of a *group* is calculated, those *own funds* must not be included in the calculation of the group solvency of the *group* unless they are, and only in so far as they are, eligible for covering the SCR of the *related undertaking*.
- 9.5 The sum of the *own funds* included under 9.2 and 9.4 must not exceed the SCR of the ~~related Solvency II undertaking~~ related UK Solvency II firm
- 9.6 Any *eligible own funds* of a ~~related Solvency II undertaking~~ related UK Solvency II firm of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm for which the solvency of a *group* is calculated that are subject to prior authorisation from the *supervisory authority* of the ~~related Solvency II undertaking~~ related UK Solvency II firm, in accordance with ~~Article 90 of the Solvency II Directive~~ regulation 44 of the Solvency 2 Regulations, must be included in the calculation of the group solvency only in so far as they have been duly authorised by that *supervisory authority*
- 9.7 When calculating the solvency of a *group*, no account must be taken of any *own funds eligible for the SCR* arising out of reciprocal financing between the ~~participating Solvency II undertaking~~ participating UK Solvency II firm and any of the following:
- ...
- 9.8 When calculating the solvency of a *group*, no account must be taken of any *own funds eligible for the SCR* of a ~~related Solvency II undertaking~~ related UK Solvency II firm of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm for which the group solvency of the *group* is calculated where the *own funds* concerned arise out of reciprocal financing with any other *related undertaking* of that ~~participating Solvency II undertaking~~ participating UK Solvency II firm. Reciprocal financing exists at least where a ~~Solvency II undertaking~~ UK Solvency II firm, or any of its *related undertakings*, holds shares in, or makes loans to, another *undertaking* which, directly or indirectly, holds *eligible own funds* of the first *undertaking*.

10 GROUP SOLVENCY: APPLICATION OF THE CALCULATION METHODS

- ...
- 10.1 Where a ~~Solvency II undertaking~~ UK Solvency II firm has more than one ~~related Solvency II undertaking~~ related UK Solvency II firm, the group solvency calculation of the *group* must be carried out by including each of those ~~related Solvency II undertakings~~ related UK Solvency II firms.

- 10.2 In respect of a ~~related Solvency II undertaking~~ with its head office in an EEA State other than that of the ~~Solvency II undertaking~~ for which the group solvency calculation of the group is carried out, the group solvency calculation must take account of the SCR and the own funds eligible for the SCR as laid down in the ~~Solvency II EEA implementing measures~~ of that other EEA State ~~[Deleted.]~~
- ...
- 10.3 (1) When calculating the group solvency of a ~~Solvency II undertaking~~ UK Solvency II firm in a group, the situation of each *intermediate holding company* must be taken into account.
- (2) For the sole purpose of that calculation, the *intermediate holding company* must be treated as if it were a ~~Solvency II undertaking~~ UK Solvency II firm subject to the SCR Rules in respect of the SCR and were subject to the same conditions as are laid down in the Own Funds Part of the PRA Rulebook in respect of own funds eligible for the SCR.
- ...
- (4) Any *eligible own funds* of an *intermediate holding company*, which would require prior authorisation from a *supervisory authority* in accordance with ~~Article 90 of the Solvency II Directive~~ regulation 44 of the Solvency 2 Regulations, may be included in the calculation of the group solvency of the group only in so far as they have been duly authorised by the *group supervisor*.
- 10.4 ...
- (1) Subject to (2), when calculating, in accordance with *method 2*, the group solvency of a ~~Solvency II undertaking~~ UK Solvency II firm in a group which is a *participating undertaking* in a *third country insurance undertaking* or *third country reinsurance undertaking*, that *third country insurance undertaking* or *third country reinsurance undertaking* must, solely for the purposes of that calculation, be treated as a ~~related Solvency II undertaking~~ related UK Solvency II firm.
- (2) If the third country in which that *third country insurance undertaking* or *third country reinsurance undertaking* has its head office makes it subject to authorisation and imposes on it a solvency regime that is assessed to be equivalent under ~~Article 227 of the Solvency II Directive~~ Article 379A of Commission Delegated Regulation (EU) 2015/35, the calculation in (1) must take into account, as regards that *undertaking*, the requirement equivalent to the SCR and the capital items eligible to satisfy that requirement as laid down by that third country.
- 10.5 When calculating the group solvency of a ~~Solvency II undertaking~~ UK Solvency II firm in a group which is a *participating undertaking* in a *credit institution*, *investment firm* or *financial institution*, the ~~participating Solvency II undertaking~~ participating UK Solvency II firm must either:
- (1) apply *method 1* or *method 2* in ~~Annex I to Directive 2002/87/EC~~ Financial Conglomerates Annex 2 with any necessary changes, provided that *method 1* in that Annex must be applied only where the *group supervisor* is satisfied as to the level of integrated management and internal control regarding the *undertakings* which would be included in the scope of consolidation and

provided always that the method chosen must be applied in a consistent manner over time; or

10.6 Where the information necessary for calculating the group solvency of a ~~Solvency II undertaking~~ UK Solvency II firm in a group, concerning a *related undertaking* with its head office in ~~an EEA State~~ or a third country is not available to the *group supervisor* then:

- (1) the book value of that *related undertaking* in the ~~participating Solvency II undertaking~~ participating UK Solvency II firm must be deducted from the *own funds eligible for the group SCR*; and

...

11 CALCULATION METHODS: METHOD 1

11.1 (1) The calculation of the group solvency of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm in a group must be carried out on the basis of the consolidated accounts.

- (2) The group solvency of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm in a group is the difference between the following:

...

11.3 (1) The consolidated *group SCR* of a group must have as a minimum the sum of the following:

- (a) the *MCR* of the ~~participating Solvency II undertaking~~ UK Solvency II firm; and
- (b) the proportional share of the *MCR* of the ~~related Solvency II undertakings~~ UK Solvency II firms.

...

11.4 Any application for permission to calculate the consolidated *group SCR*, as well as the *SCR* of ~~Solvency II undertakings~~ UK Solvency II firms in the group, on the basis of an *internal model*, submitted by a ~~Solvency II undertaking~~ UK Solvency II firms and its *related undertakings*, or jointly by the ~~related Solvency II undertakings~~ related UK Solvency II firms of an *insurance holding company* or a *mixed financial holding company*, must be submitted to the *group supervisor*.

12 CALCULATION METHODS: METHOD 2

12.1 The group solvency of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm in a group is the difference between the following:

...

- (2) the value in the ~~participating Solvency II undertaking~~ participating UK Solvency II firm of the ~~related Solvency II undertakings~~ related UK Solvency II firms and the aggregated *group SCR*, as provided for in 12.3.

12.2 The aggregated *group eligible own funds* of a group is the sum of the following:

- (1) the own funds eligible for the SCR of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm; and
- (2) the proportional share of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm in the own funds eligible for the SCR of the ~~related Solvency II—~~ undertakings related UK Solvency II firms.
- 12.3 The aggregated *group* SCR of a *group* is the sum of the following:
- (1) the SCR of the ~~participating Solvency II undertakings~~ participating UK Solvency II firms; and
- (2) the proportional share of the SCR of the ~~related Solvency II undertakings~~ related UK Solvency II firms.
- 12.4 Where, in a *group*, the *participation* in the ~~related Solvency II undertaking~~ related UK Solvency II firm consists, wholly or in part, of an indirect ownership, the value in the ~~participating Solvency II undertaking~~ participating UK Solvency II firm of the ~~related Solvency II undertaking—related UK Solvency II firm~~ must incorporate the value of that indirect ownership. The value of that indirect ownership must take into account the relevant successive interests, and the items referred to in 12.2(2) and 12.3(2) must include the corresponding proportional shares, respectively, of the *own funds eligible for the SCR* of the ~~related Solvency II undertaking~~ related UK Solvency II firm and of the SCR of the ~~related Solvency II undertakings—related UK Solvency II firms~~.
- 12.5 Any application for permission to calculate the SCR of ~~Solvency II undertakings~~ UK Solvency II firms in the *group*, on the basis of an *internal model*, submitted by a ~~Solvency II undertaking~~ UK Solvency II firm and *its related undertakings*, or jointly by the *related undertakings* of an *insurance holding company* or a *mixed financial holding company*, must be submitted to the *group supervisor*.

14 SUPERVISION OF GROUP SOLVENCY FOR SOLVENCY II FIRMS THAT ARE SUBSIDIARIES OF AN INSURANCE HOLDING COMPANY OR A MIXED FINANCIAL HOLDING COMPANY

- 14.1 (1) Where ~~Solvency II undertakings~~ UK Solvency II firms in a *group* are *subsidiary undertakings* of an *insurance holding company* or a *mixed financial holding company*, the calculation of the solvency of the *group* must be carried out at the level of the *insurance holding company* or *mixed financial holding company* applying 7.1(2) to 12.
- (2) For the purpose of that calculation, the *insurance holding company* or *mixed financial holding company* must be treated as if it were a ~~Solvency II undertaking~~ UK Solvency II firm subject to the SCR Rules as regards the SCR and the Own Funds Part of the PRA Rulebook as regards the *own funds eligible for the SCR*, provided that the *relevant insurance group undertakings* remain responsible for discharging any obligations arising from the application of this sub-paragraph

15 GROUPS WITH CENTRALISED RISK MANAGERMENTS

- 15.1 ~~15.3 applies to any *Solvency II undertaking* in a *group* which is a *subsidiary undertaking* of another *Solvency II undertaking* or of an *insurance holding company* or *mixed financial holding company* where all of the following conditions are satisfied: [Deleted.]~~
- (1) ~~the *subsidiary undertaking*, in relation to which the *group supervisor* has not made a decision under Article 214(2) of the *Solvency II Directive*, is included in the *group supervision* carried out by the *group supervisor* at the level of the *parent undertaking* in accordance with this Part;~~
 - (2) ~~the risk management processes and internal control mechanisms of the *parent undertaking* cover the *subsidiary undertaking* and the *parent undertaking* satisfies the *PRA* regarding the prudent management of the *subsidiary undertaking*;~~
 - (3) ~~- (a) *the parent undertaking*; or
 - (b) *one or more relevant insurance group undertakings*;
is permitted, under 17.2(3), to produce a single document covering all relevant *ORSAs*;~~
 - (4) ~~- (a) *the parent undertaking*; or
 - (b) *one or more relevant insurance group undertaking*;
is permitted, under 18.1(2), to produce a single *SFCR* covering all relevant *Solvency II undertakings* and *insurance holding companies* and *mixed financial holding company*; and~~
 - (5) ~~an application for permission to be subject to 15.3 has been submitted by the *parent undertaking* or *one or more relevant insurance group undertakings* and a favourable decision has been made on that application in accordance with the procedure in Article 237 of the *Solvency II Directive*.~~
- 15.2 ~~An application for permission to be subject to 15.3 must be made to the *PRA* if the *subsidiary undertaking* is a *UK Solvency II firm*. [Deleted.]~~
- 15.3 ~~Without prejudice to 11.4 and subject to 15.4, if the conditions referred to in 15.1 are satisfied, the *SCR* of the *subsidiary undertaking* in the *group* must be calculated in accordance with any decisions taken in accordance with Article 238 of the *Solvency II Directive*. [Deleted.]~~
- 15.4 (1) ~~15.3 ceases to apply where:~~
- (a) ~~the condition referred to in 15.1(1) is no longer complied with;~~
 - (b) ~~the condition referred to in 15.1(2) is no longer complied with and the *group* does not restore compliance with this condition in an appropriate period of time;~~
 - (c) ~~the conditions referred to in 15.1(3) and 15.1(4) are no longer complied with. [Deleted]~~

- (2) ~~The parent undertaking or relevant insurance group undertakings of a group to which 15.3 applies must ensure that the conditions referred to in 15.1(2) to (4) are complied with on an ongoing basis and in the event of non-compliance must:~~
- ~~(a) inform the group supervisor and the supervisory authority of the subsidiary undertaking concerned without delay; and~~
 - ~~(b) present a plan to the supervisory authorities to restore compliance within an appropriate period of time.~~

...

16 RISK CONCENTRATION AND INTRA-GROUP TRANSACTIONS

16.1 ...

- (2) The necessary information must be submitted to the *group supervisor* by the *relevant insurance group undertaking* which is at the head of the *group* or, where the *group* is not headed by a *relevant insurance group undertaking*, by the *UK holding company* or such other ~~*Solvency II undertaking*~~ *UK Solvency II firm* in the *group* as the *group supervisor* may specify.

- 16.2 (1) Where 2.1(1) or 2.1(2) applies, the *relevant insurance group undertakings* or any *UK holding company* must report on a regular basis, and at least annually, to the *group supervisor* all significant intra-group transactions by ~~*Solvency II undertakings*~~ *UK Solvency II firms* within a *group*, including those performed with a natural person with *close links* to an *undertaking* in the *group*.

...

- (3) The necessary information must be submitted to the *group supervisor* by the *relevant insurance group undertaking* which is at the head of the *group* or, where the *group* is not headed by a ~~*Solvency II undertaking*~~ *UK Solvency II firm*, by the *UK holding company* or such other ~~*Solvency II undertaking*~~ *UK Solvency II firm* in the *group* as the *group supervisor* may specify.

17 RISK MANAGEMENT AND INTERNAL CONTROL

...

- 17.2 (1) Where 2.1(1) or 2.1(2) applies, a ~~*participating Solvency II undertaking*~~ *participating UK Solvency II firm* ~~that is a firm~~, or if there is none, the *UK holding company* or the *relevant insurance group undertakings*, must undertake at the level of the *group* the assessment required by Conditions Governing Business 3.8 to 3.11.
- (2) Where the calculation of the solvency at the level of the *group* is carried out in accordance with *method 1*, the ~~*participating Solvency II undertaking*~~ *participating UK Solvency II firm*, the *UK holding company* or the *relevant insurance group undertakings* (as appropriate) must provide to the *group supervisor* a proper understanding of the difference between the sum of the *SCR* of all the ~~*related Solvency II undertakings*~~ *related UK Solvency II firms* in the *group* and the consolidated *SCR* of the *group*.
- (3) Where the ~~*participating Solvency II undertaking*~~ *participating UK Solvency II firm*, the *UK holding company* or the *relevant insurance group undertakings* (as appropriate) so decide, and subject to the agreement of the *group supervisor*, they may undertake any assessments required by Conditions Governing Business 3.8 to 3.11 at the level

of the *group* and at the level of any *subsidiary undertaking* in the *group* at the same time, and may produce a single document covering all the assessments.

...

18 GROUP SFCR

- 18.1 (1) When 2.1(1) or 2.1(2) applies, ~~participating Solvency II undertakings~~ participating UK Solvency II firms ~~that are firms~~ or, if there are none, the *relevant insurance group undertakings* must disclose publicly, on an annual basis, a report on the solvency and financial condition at the level of the *group*. Reporting 3 to 6 apply with any necessary changes.
- (2) Where a ~~participating Solvency II undertaking~~ participating UK Solvency II firm ~~that is a firm~~ or the *relevant insurance group undertakings* (as appropriate) so decide, and subject to the agreement of the *group supervisor*, they may provide a single *SFCR* which must comprise the following:

...

19 GROUP STRUCTURE

- 19.1 When 2.1(1) or 2.1(2) applies, ~~participating Solvency II undertakings~~ participating UK Solvency II firms ~~that are firms~~ or, if there are none, the *relevant insurance group undertakings* must disclose publicly, at the level of the *group*, on an annual basis, the legal structure and the governance and organisational structure, including a description of all *subsidiaries*, material *related undertakings*, and significant branches belonging to the *group*.

20 THIRD COUNTRIES

- 20.1 When 2.1(3) applies, 4 to 14, 16 to 19 and External Audit 2 to 4 apply with any necessary changes at the level of the *insurance holding company* or *mixed financial holding company* which does not have its head office in ~~the UK an EEA State~~, *third country insurance undertaking* or *third country reinsurance undertaking* unless:
- (1) subject to 20.2, the *third country* in which that *undertaking* has its head office is assessed to be equivalent under provisions implementing Article 260 of the Solvency II Directive; or
- (2) in the absence of equivalent group supervision referred to in Article 260 of the *Solvency II Directive*, the *PRA* has specified other methods in accordance with provisions implementing Article 262 of the Solvency II Directive.
- ...
- 20.2 20.1(1) does not apply where, in the case of temporary equivalence under Article 260(5) of the *Solvency II Directive*, there is a ~~Solvency II undertaking~~ UK Solvency II firm in the *group* that has a balance sheet total that exceeds the balance sheet total of the *parent undertaking* situated outside of the ~~EEA~~ UK.
- 20.3 When calculating the solvency of a *group* falling within 2.1(3) for the purpose of 20.1, a *relevant insurance group undertaking* must treat the *parent undertaking* (being an *insurance holding company* which does not have its head office in ~~the UK an EEA State~~ or a *third country insurance undertaking* or a *third country reinsurance undertaking*), solely for the purposes of that calculation, as a *UK Solvency II firm* to which 2.1(1)(a) applies.

- 20.4 Where the *parent undertaking* referred to in 2.1(3) is itself a *subsidiary undertaking* of an *insurance holding company* or *mixed financial holding company* which does not have its head office in an ~~EEA State~~ the UK or a *third country insurance undertaking* or a *third country reinsurance undertaking*, 20.1 applies at the level of either:
- (1) the ultimate *parent undertaking* which is an *insurance holding company* or *mixed financial holding company* which does not have its head office in an ~~EEA State~~ the UK or a *third country insurance undertaking* or a *third country reinsurance undertaking*; or
 - (2) such other *parent undertaking* as the *PRA* may determine in accordance with ~~Article 263 of the Solvency II Directive~~ Regulation 36A of the Solvency 2 Regulations.

...

Annex AD

Amendments to the Groups 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:

third country banking and investment group

means a *group* that meets the following conditions:

(1) it is headed by a *third country undertaking* that would be:

(a) an *institution*;

(b) a *financial holding company*, or

(c) a *mixed financial holding company*,

if its head office was in the ~~EEA~~UK; and

(2) it is not part of a wider *consolidation group*.

...

2 METHODS OF PRUDENTIAL CONSOLIDATION

2.1 (1) In carrying out the calculations in (Part One, Title II, Chapter 2 of the *CRR*) for the purposes of prudential consolidation, a *firm* must include the relevant proportion of an undertaking with whom it has ~~an~~:

(a) ~~Article 12(1) relationship~~a common management relationship; or

(b) an Article 18(6) relationship.

...

...

3 THIRD COUNTRY BANKING AND INVESTMENT GROUPS

...

3.4 The scope of the *CRR* requirements and rules referenced in 3.2 and 3.3 is adjusted:

...

(3) so that the scope covers every member of the *third country banking and investment group* that would have been included in the scope of those rules if those members had their head offices, and were incorporated in ~~an EEA State~~the UK.

Annex AE

Amendments to the Housing Part

In this Annex deleted text is struck through.

1 APPLICATION AND DEFINITIONS

1.1 If either Condition A or Condition B is met, this Part applies to a *firm* with a *Part 4A permission* that includes entering into a *regulated mortgage* contract as lender, except:

- (1) ~~an *EEA Firm* with respect to an activity carried on in the *UK* under an *EEA right*, or~~
[deleted.]

...

1.4 1.3 does not apply in relation to a *subsidiary undertaking* that:

- (1) ~~is an *EEA firm* with respect to an activity carried on in the *UK* under an *EEA right*,~~
[deleted.]

...

Annex AF

Amendments to the Incoming Firms and Third Country Firms Part

In this Annex deleted text is struck through.

Part

~~Incoming Firms and Third Country Firms~~

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies only to:

(1) ~~an *incoming firm*; or [deleted.]~~

(2) a *third country firm*.

that is:

(3) a *bank*; or

(4) a *designated investment firm*.

...

Annex AG

Amendments to the Insurance – Allocation of Responsibilities Part

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

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

...

(4) a *third country branch undertaking* (other than a *Swiss general insurer*); ~~and~~

(4A) a *third country insurance services provider*; and

...

1.1A This Part does not apply to a *SRO firm*.

1.2 In this Part, the following definitions shall apply:

...

prescribed responsibility

means

(1) for a *firm* (other than a *third country branch undertaking*, a *third country insurance services provider* or a *small run-off firm*) means the responsibilities in 3.1 and 3.3;

(2) for a *third country branch undertaking* (other than a ~~*UK deposit insurer*~~ or a *Swiss general insurer*) means the responsibilities set out in 3.1 and 3.3 to the extent only that they are relevant to the operations effected by its *third country branch*, save in relation to 3.1(4) which shall also take account of the operations of the *third country branch undertaking* to the same extent as is necessary to ensure compliance by the *third country branch undertaking* with Third Country Branches 13;

(3) ~~for a *UK deposit insurer*, means the responsibilities set out in 3.1 and 3.3 to the extent only that they are relevant to the operations effected by its *third country branch* and all its *third country undertaking EEA branches*, save in relation to 3.1(4) which shall also take account of the operations of the *third country branch undertaking* to the same extent as is necessary to ensure compliance by the *third country branch undertaking* with Third Country Branches 13; [deleted.]~~

third country insurance provider prescribed responsibility

means the responsibilities set out in 3B.2

...

2 ALLOCATION OF RESPONSIBILITIES

2.1 Subject to 3A.3 & 3B.3, a A firm (other than a third country branch undertaking, a third country insurance services provider, a small run-off firm or a UK ISPV) must allocate each of the prescribed responsibilities set out in 3.1 (other than 3.1(10) and (11)) to one or more persons who, in relation to that firm, are approved under section 59 of FSMA by:

...

2.2 Subject to 3A.3 & 3B.3, a A firm (other than a third country branch undertaking, third country insurance services provider, a small run-off firm or a UK ISPV) must allocate each of the prescribed responsibilities set out in 3.1(10) and (11) and the prescribed responsibility set out in 3.3, if applicable, to one or more non-executive directors who perform:

2.3 Subject to 3A.3 & 3B.3, a A third country branch undertaking (other than a Swiss general insurer) must allocate each of the prescribed responsibilities set out in 3.1 to 3.1(1), (4), (5), (6), (7) and (12) and each of the third country branch prescribed responsibilities to one or more persons who, in relation to that firm, are approved under section 59 of FSMA or treated as so approved pursuant to a notice given under section 59ZZA, by:

- (1) the PRA to perform a PRA senior management function; or
- (2) in relation to relevant senior management functions only, the FCA

...

2.3A A third country insurance services provider who has been given a notice under section 59ZZA must allocate each of the prescribed responsibilities set out in chapter 3B to one or more persons who are treated under that section as approved under section 59.

3A PRESCRIBED RESPONSIBILITIES: UK BRANCHES

...

3A.3 In relation to a firm who is treated, by virtue of the EEA Passport Rights (Amendment, etc and Transitional Provisions) (EU Exit) Regulations 2018, as having permission under Part 4A of FSMA to carry on a regulated activity:

- (1) the prescribed responsibilities set out in 3.1 and the third country branch prescribed responsibilities set out in 3A.2 shall not apply; and
- (2) each of the responsibilities set out in this rule is a third country branch prescribed responsibility:
 - (i) responsibility for the firm's compliance with the UK regulatory system applicable to the firm (PR FF)
 - (ii) where the firm has applied for permission under Part 4A of FSMA to carry on a regulated activity, until such time as the application has been determined or withdrawn, the responsibility for managing the process of obtaining such permission, including, without limitation, the completion and submission of the firm's application, and providing the PRA with such co-operation and with all accurate and up to date information that it may reasonably require in order to determine whether the requirements for authorisation have been met)

3B PRESCRIBED RESPONSIBILITIES: UK SERVICES PROVIDERS

3B.1 This Chapter applies only to a *third country insurance services provider*.

3B.2 Subject to 3B.3, each of these responsibilities is a *third country insurance provider prescribed responsibility*:

- (1) responsibility for management of the application of the *firm's* risk management processes to its *UK* activities;
- (2) responsibility for the *firm's* compliance with the *UK regulatory system* applicable to the *firm*;
- (3) responsibility for the escalation of correspondence from the *PRA, FCA* and other regulators in respect of the *firm* to each of the *governing body* or the *management body* of the *firm* and, as appropriate, the *firm's parent undertaking* and the ultimate *parent undertaking* of the *firm's group*; and
- (4) responsibility for management of the application of the *firm's* systems and controls to its *UK* activities.

3B.3 In relation to a *firm* who is treated, by virtue of the EEA Passport Rights (Amendment, etc and Transitional Provisions) (EU Exit) Regulations 2018, as having permission under Part 4A of *FSMA* to carry on a *regulated activity*:

- (1) the *prescribed responsibilities* set out in 3.1 and the *third country insurance service provider prescribed responsibilities* set out in 3B.2 shall not apply; and
- (2) each of the responsibilities set out in this rule is a *third country insurance provider prescribed responsibility*:
 - (i) responsibility for the *firm's* compliance with the *UK regulatory system* applicable to the *firm*;
 - (ii) where the *firm* has applied for permission under Part 4A of *FSMA* to carry on a *regulated activity*, until such time as the application has been determined or withdrawn, the responsibility for managing the process of obtaining such permission, including, without limitation, the completion and submission of the *firm's* application and providing the *PRA* with such co-operation and with all accurate and up to date information that it may reasonably require in order to determine whether the requirements for authorisation have been met).

4 IDENTIFICATION OF KEY FUNCTIONS

4.1 A *firm* must identify:

- (1) each of the *functions* that the *firm* considers to be a *key function*; and
- (2) any such *key function* that amounts to effectively running the firm (or, for a *third country branch undertaking* other than a *Swiss general insurer*, effectively running the operations effected by the *third country branch*, or, for a *UK deposit insurer*, the operations effected by the *third country branch* and all the *third country undertaking*

EEA branches) or for a third country insurance services provider, effectively running the activities carried out in the UK.

...

5 RECORDS

5.1 A firm must have and maintain a *management responsibilities map*, which is a clear and coherent document or series of documents with the following details:

- (1) a list of the *key functions* identified by the firm in accordance with 4.1 highlighting those that amount to effectively running the firm (or, for a *third country branch undertaking* other than a *Swiss general insurer*, effectively running the operations effected by the *third country branch* ~~or, for a UK deposit insurer, the operations effected by the third country branch and all the third country undertaking EEA branches~~); or for a third country insurance services provider, effectively running the activities carried out by the third country insurance services provider, in the UK;
- (2) the names of the persons who effectively run the firm (or, for a *third country branch undertaking* other than a *Swiss general insurer*, effectively run the operations effected by the *third country branch* ~~or, for a UK deposit insurer, the operations effected by the third country branch and all the third country undertaking EEA branches~~) or who are responsible for other *key functions* listed pursuant to 5.1(1); or for a third country insurance services provider, effectively running the activities carried out by the third country insurance services provider, in the UK;

...

- (6) where a firm (other than a *third country branch undertaking* or third country insurance services provider) is a member of a group:

...

- (7) matters reserved to the *governing body* (including the terms of reference of its committees) and including, in the case of a *third country branch undertaking*, the equivalent body (or its committees) responsible for the management of the *third country branch undertaking's* business activities in the UK and in the case of a *third country insurance services provider*, the equivalent body (or its committees) responsible for the management of the firm's activities in the UK.

Annex AH

Amendments to the Insurance – Certification Part

In this Annex new text is underlined.

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

...

(4) a third country branch undertaking (other than a Swiss general insurer) in relation to the activities of the third country branch that are subject to the regulatory system;

(4A) a third country insurance services provider in relation to the activities carried out in the UK that are subject to the regulatory system; and

...

1.1A This Part does not apply to a SRO firm

1.3A For the purposes of this Part, large firm includes a third country insurance services provider which would be a large firm if the amounts specified in (a) and (b) of the Glossary definition are only those amounts relating to the activities carried out in the UK by the third country insurance services provider.

1.4 This Part does not apply to a function performed by:

(1) a PRA approved person;

(1A) a person in relation to whom a notice under section 59ZZA has been given to an authorised person;

(2) a person who performs an FCA controlled function; or

(3) a non-executive director in relation to their non-executive director function.

Annex AI

Amendments to the Insurance – Conduct Standards Part

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

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

- (1) a *UK Solvency II firm*;
- (2) in accordance with Insurance General Application 3, the *Society*, as modified by 4;
- (3) in accordance with Insurance General Application 3, *managing agents*, as modified by 4;
- (4) a *third country branch undertaking* (other than a *Swiss general insurer*);
- (5) a *UK ISPV*; ~~and~~
- (5A) a *third country insurance services provider*; and
- (6) in relation to any of the foregoing *firms*, any *person* who is:
 - (a) a *Conduct Rules non-executive director*;
 - (b) an *employee* of a *firm* who is a *key function holder*;
 - (c) a *certification employee* (other than a *key function holder*);
 - (d) approved under section 59 of *FSMA* by either:
 - (i) the *PRA*; or
 - (ii) the *FCA*, in relation to a *relevant senior management function*;
 - (e) an *employee* who should have been approved under section 59 of *FSMA* by either:
 - (i) the *PRA*; or
 - (ii) the *FCA*, in relation to a *relevant senior management function*; ~~or~~
 - (f) an *employee* who is performing a function that would have been a *controlled function* but for Insurance - Senior Management Functions 2.4; or.
 - (g) a *person* in relation to whom a notice under *section 59ZZA* has been or could be given by the *PRA* to an *authorised person*.

2 SCOPE OF CONDUCT STANDARDS

2.1 If you are a natural person who is:

- (1) an *employee* of a *firm* who is a *key function holder*, ~~or~~
- (2) approved under section 59 of *FSMA* by either:
 - (a) the *PRA*; or
 - (b) the *FCA*, in relation to a *relevant senior management function*, or
- (3) a person in relation to whom a notice under section 59ZZA has been given by the PRA to an authorised person.

you must comply at all times with all of the conduct standards.

2.1B If you are an *employee* of a type specified in 1.1(6)(c), (e), ~~(f)~~ or (g) you must comply at all times with the conduct standards specified in 3.1 to 3.3.

Annex AJ

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

1.1 Unless otherwise stated, this Part applies to:

...

(4) *a third country branch undertaking* (other than a *Swiss general insurer*); ~~and~~

(5) a *UK ISPV*; and

(6) a *third country insurance services provider*.

...

1.1A Any reference in this Part to assessing or deciding whether a *person* is a fit and proper *person*, shall, in relation to a *SRO firm*, be construed as a reference to assessing or deciding whether the *person* is fit and proper to perform the function of overseeing an orderly run-off of the *firm's regulated activities* in the *UK*.

4 DISCLOSURE AND REPLACEMENTS

4.1

(1) A *firm* (other than a *UK ISPV* or *third country insurance services provider*) shall notify the *PRA* of any changes to the identity of *key function holders* and shall provide the *PRA* with:

...

Annex AK

Amendments to the Insurance –Senior Management Functions Part

In this Annex new text is underlined.

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

...

(4) *a third country branch undertaking* (other than a *Swiss general insurer*); ~~and~~

(5) *a UK ISPV*, in accordance with 12; and

(6) *a third country insurance services provider*.

...

2 GENERAL

...

2.3 *A firm* (other than a *third country branch undertaking*, *a firm that does not have an establishment in the UK* or a *small run-off firm*) must ensure that one or more *persons* performs each of the following *PRA senior management functions* on its behalf:

...

6 HEAD OF THIRD COUNTRY BRANCH

6.1 This Chapter applies only to a *firm* that is a *third country branch undertaking* or a *third country insurance services provider* (other than a *Swiss general insurer*).

6.1A (1) 6.2, 6.3, 6.4 and 6.5 shall not apply to a *SRO firm*

(2) 6.6 and 6.7 apply only to a *SRO firm*

6.2 The *Head of Third Country Branch function* (SMF19) is the function of having responsibility for:

(1) the conduct of all activities of the *third country branch undertaking* that are subject to the *regulatory system*; or

(2) the conduct of all activities of the *third country insurance services provider* that are subject to the *regulatory system*.

6.3 (1) *A third country branch undertaking* or a *third country insurance services provider* must have at least one *person* approved to perform the *Head of Third Country Branch function*.

- (2) If a vacancy arises in respect of the *Head of Third Country Branch function*, a *third country branch undertaking* or a *third country insurance services provider* must ensure that it appoints a *person* to fill that vacancy as soon as possible.
- 6.4 A *third country branch undertaking* or a *third country insurance services provider* that transacts *with-profits insurance business* must have at least one *person* approved to perform the *With-Profits Actuary function* (SMF20a).
- 6.5 A *third country branch undertaking* or a *third country insurance services provider* is not required to have any *person(s)* approved to perform any of the other *PRA senior management functions*.
- 6.6 A *SRO firm* must ensure that at least one *person* performs the *Head of Third Country Branch Function* on its behalf and if a vacancy arises in respect of that function it must ensure that it appoints a *person* to fill the vacancy as soon as possible.
- 6.7 For the purposes of 6.6 the *Head of Third Country Branch Function* (SMF 19) is the function of having responsibility to oversee the orderly run-off of the *firm's regulated activities* in the UK.

...

13. COMBINATION OF PRA SENIOR MANAGEMENT FUNCTIONS

- 13.1 This Chapter does not apply to a *third country branch undertaking* or to a *firm* that does not have an establishment in the UK.

Annex AL

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

In this Annex new text is underlined.

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

...

(4) a *third country branch undertaking* (other than a *Swiss general insurer*); ~~and~~

(5) a *UK ISPV*; and

(6) a *third country insurance services provider*.

1.2 In this Part, the following definitions shall apply:

...

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*;

but excludes a notice given under section 59ZZA of *FSMA* treating a *person* as approved;

...

1.3 In this Part, *PRA approved person* also includes a *person* in relation to whom a notice under section 59ZZA has been given to an *authorised person*.

...

2A SECTION 59ZZA APPLICATION

2A.1 (1) In the case of a *section 59ZZA application*, the following directions shall have effect in substitution for any directions relating to the provision of information, documents, *statement of responsibilities* and form of application which would otherwise apply on the making of an application under section 60 of *FSMA*.

(2) The *PRA* directs that the application must contain the information and be accompanied by such documents as are set out in the form approved by the *PRA* for the purposes of this direction; except that where the application is in respect of a

person who holds a current approved persons approval, Form E may be used in accordance with 2.3 instead.

- (3) The PRA directs that the application must be accompanied by a statement of responsibilities in accordance with Insurance - Allocation of Responsibilities 5.4, containing such information as is set out in the form approved by the PRA for the purposes of this direction; except that where a Form E is used pursuant to (2) above, the application must provide a statement of responsibilities specified in 2.7.
- (4) A function performed by a person in relation to whom a notice under section 59ZZA of FSMA could be given, shall not (otherwise than for the purposes of making an application under section 60 of FSMA), be treated as a controlled function until the earliest of -
- (a) 12 weeks beginning on the day on which exit day occurs
 - (b) the giving of the notice under section 59ZZA, or
 - (c) the notification by the PRA of its decision to grant or refuse the application.
- (5) In this Chapter statement of responsibilities form means for a firm making a section 59ZZA application the form to be completed by a firm containing:
- (a) the information referred to in Insurance – Allocation of Responsibilities 5.1(3);
 - (b) in respect of 2A.3, the information required by section 60(2A) of FSMA; and
 - (c) in respect of Insurance – Allocation of Responsibilities 5.5, the information required by section 60(2A) of FSMA.

...

2B SRO FIRMS

2B.1 2A.1 shall apply to a SRO firm as if

- (1) the reference in 2A.1 (2) and (3) to the forms approved by the PRA were references to the forms approved for the purposes of an application made by a SRO firm; and
- (2) the reference in 2A.1 (4)(a) to 12 weeks beginning on the day on which exit day occurs were a reference to 12 weeks beginning on the day the firm became a SRO firm.

6 PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS

6.1 The PRA directs that save as required by 6.1A or 6.2, a firm must make any applications, notifications or submissions required by this Part by submitting the form specified using the ONA system.

6.1A The PRA directs that a firm making a section 59ZZA application must make that application by submitting the information, documents, statement of responsibilities and forms required by 2A in the manner set out in Notifications 7.

Annex AM

In this Annex, the text is all new and is not underlined.

Part

INSURANCE – SUPERVISED RUN OFF

Chapter content

1. APPLICATION AND DEFINITIONS
2. PROVISION OF RUN-OFF PLAN
3. CONTENT OF SCHEME OF OPERATIONS
4. NOTIFICATIONS AND ANNUAL UPDATES
5. THIRD COUNTRY BRANCHES

1 APPLICATION AND DEFINITIONS

1.1 This Part applies to *SRO insurers*.

1.2 In this Part, the following definitions shall apply:

end date

means the end of the relevant period determined in accordance with regulation 41 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018.

material transaction

means a transaction (when aggregated with any similar transactions) in which:

- (1) the price actually paid or received for the transfer of assets or liabilities or the performance of services; or
- (2) the price which would have been paid or received had that transaction been negotiated at arm's length between unconnected parties;

exceeds:

- (a) in the case of a *firm* which carries on *long-term insurance business*, but not *general insurance business*, the sum of €20,000 and 5% of the *firm's* liabilities arising from its *long-term insurance business*, excluding *linked long-term liabilities* and net of *reinsurance ceded*; or
- (b) in the case of a *firm* which carries on *general insurance business*, but not *long-term insurance business*, the sum of €20,000 and 5% of the *firm's* liabilities arising from its *general insurance business*, net of *reinsurance ceded*; or
- (c) in the case of a *firm* which carries on both *long-term insurance business* and *general insurance business*:

- (i) where the transaction is in connection with the *firm's long-term insurance business*, the sum of €20,000 and 5% of the *firm's liabilities* arising from its *long-term insurance business*, excluding *linked long-term liabilities* and net of *reinsurance ceded*; and
 - (ii) in all other cases, the sum of €20,000 and 5% of the *firm's liabilities* arising from its *general insurance business*, net of *reinsurance ceded*.
- and
- (d) a reference to the "*firm's liabilities*" is to be interpreted as a reference only to the liabilities relevant to the operations permitted under regulation 28 or 34 of Part 6 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018.

scheme of operations

means a scheme which:

- (1) describes the nature of the risks which the *insurer* is underwriting, or intends to underwrite, and the guiding principles which it intends to follow in reinsuring or covering those risks; and
- (2) contains the information required under 3.1.

2 PROVISION OF RUN-OFF PLAN

2.1 A *firm* must, within 28 days of the date on which the *firm* becomes an *SRO firm*, submit a run-off plan to the *PRA* including:

- (1) a *scheme of operations*, in accordance with 3; and
- (2) an explanation of how, or to what extent:
 - (a) all *liabilities to policyholders* will be met in full as they fall due; and
 - (b) the *firm* will have ceased *effecting contracts of insurance* and *carrying out contracts of insurance* by the *end date*.

3 CONTENT OF SCHEME OF OPERATIONS

3.1 In accordance with 3.2, a *scheme of operations* must:

- (1) describe the *firm's* run-off strategy;
- (2) include a description of the business underwritten by the *firm*;
- (3) in the case of *third country branch undertakings*, include financial projections (including appropriate scenarios and stress-tests) as follows:
 - (a) a forecast summary profit and loss account in accordance with 3.3;
 - (b) a forecast summary balance sheet in accordance with 3.4; and

- (c) forecast *MCR* and *SCR* at the end of each financial year or part financial year;
 - (4) as at the end of each financial year which falls (in whole or part) within the period to which the *scheme of operations* relates:
 - (a) in the case of *third country branch undertakings*, identify any *material transactions* proposed to be entered into or carried out with, or in respect of, any associate or any other *person* with whom the *firm* has *close links*; and
 - (b) describe the assumptions which underlie those forecasts and the reasons for adopting those assumptions; and
 - (5) cover the run-off period until all *liabilities to policyholders* will be met in full or otherwise transferred.
- 3.2 The information required by 3.1 must:
- (1) in the case of *third country branch undertakings*, reflect the nature and content of the rules relating to *eligible own funds* applicable to a *firm*;
 - (2) where a *firm* carries on both *long-term insurance business* and *general insurance business*, be separated for *long-term insurance business* and *general insurance business*; and
 - (3) in the case of *third country branch undertakings*, take account only of matters relevant to the operations effected by the *third country branch*.
- 3.3 The forecast summary profit and loss account referred to in 3.1(3)(a) must contain the following information:
- (1) *premiums* and *claims* (gross and net of *reinsurance*) analysed by accounting *class* of *insurance business*;
 - (2) investment return;
 - (3) expenses;
 - (4) other charges and income;
 - (5) taxation; and
 - (6) dividends paid and accrued.
- 3.4 The forecast summary balance sheet referred to in 3.1(3)(b) must contain the following information:
- (1) investments analysed by type;
 - (2) assets held to cover *linked long-term liabilities*;
 - (3) other assets and liabilities separately identifying cash at bank and in hand;
 - (4) capital and reserves analysed into called up share capital or equivalent funds, share premium account, revaluation reserve, other reserves and profit and loss account;
 - (5) subordinated liabilities;

- (6) the fund for future appropriations;
- (7) *technical provisions* gross and net of *reinsurance* analysed by accounting *class* of *insurance business* and separately identifying the provision for *linked long-term liabilities*, *unearned premiums*, *unexpired risks* and *equalisation*; and
- (8) other liabilities and credits.

4 NOTIFICATIONS AND ANNUAL UPDATES

4.1 A firm must:

- (1) notify the *PRA* at least 28 days before entering into or carrying out any *material transaction* with, or in respect of, an associate or any other *person* with whom the *firm* has *close links*, unless that transaction is in accordance with a *scheme of operations* which has been submitted to the *PRA*;
- (2) notify the *PRA* promptly of any matter which has happened or is likely to happen and which represents a significant departure from the *scheme of operations* and either:
 - (a) explain the nature of the departure and the reasons for it and in the case of *third country branch undertakings*, provide revised forecast financial information in 3.1(3) in the *scheme of operations* for its remaining term; or
 - (b) include an amended *scheme of operations* and explain the amendments and the reasons for them.

4.2 A firm must, at least annually, update the *PRA* in writing on progress against, or deviation from, the *firm's* run-off plan submitted in accordance with 2.

5 THIRD COUNTRY BRANCHES

5.1 This Chapter applies to *third country branch undertakings*.

5.2 In this Part, reference to “*SCR*”, “*MCR*” and “*technical provisions*” is to be interpreted in accordance with Third Country Branches 10.2(1) to (3).

Annex AN

Amendments to the Insurance Company – Exposure Limits Part

In this Annex new text is underlined.

...

9 EXPOSURES EXCLUDED FROM LIMITS

...

- 9.4 (1) If a *firm* has a *counterparty exposure*, *asset exposure* or *reinsurance exposure* the whole or any part of which is:
- (a) guaranteed by a *credit institution* or an *investment firm* subject in either case to provisions implementing the CRD or supervision by a *third country* supervisory authority with a *CRD-equivalent* regime; or
 - (b) adequately mitigated by a credit *derivative*;

...

...

Annex AO

Amendments to the Insurance Company – Technical Provisions Part

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

...

5 LOCALISATION

- 5.1 This Chapter does not apply:
- (1) to a *Swiss general insurer*;
 - (2) in respect of debts owed by *reinsurers*;
 - (3) in respect of *insurance business* carried on by a *UK firm* outside ~~an EEA State~~ the UK;
or
 - (4) in respect of *general insurance business class* groups 3 (Marine and transport) and 4 (Aviation) of Insurance Company – Reporting 12.7.
- 5.2 In accordance with 5.3, a *firm* must hold *admissible assets* held pursuant to Insurance Company – Risk Management 3.2:
- (1) (where the *admissible assets* cover *technical provisions* in UK sterling), in the UK ~~any EEA State~~; and
 - (2) (where the *admissible assets* cover *technical provisions* in any currency other than UK sterling), ~~in any EEA State or~~ in the UK or in the country of that currency.

...

Annex AP

Amendments to the Insurance General Application Part

In this Annex deleted text is struck through.

...

2 UK SOLVENCY II FIRM

...

2.4 A *firm* excluded under 2.3 shall cease to be excluded under that rule:

...

(2) ~~immediately and for as long as~~ for so long as it continues to carry out contracts of insurance effected before exit day if:

(a) it ~~exercises~~ exercised *EEA rights* under the *Solvency II Directive* before exit day;

....

2.5 Subject to 2.6, a *firm* of the kind mentioned in 2.2(6) is not excluded under 2.3 for so long as it continues to carry out contracts of insurance effected before exit day if;

...

(2) it ~~exercises~~ exercised *EEA rights* under the *Solvency II Directive* before exit day.

2.6 A *firm* of the kind mentioned in 2.2(4), 2.2(5) or 2.2(6) is excluded provided

(1) ~~it is not exercising EEA rights under the Solvency II Directive; and [deleted.]~~

...

Annex AQ

Amendments to the Internal Capital Adequacy Assessment Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

group

means in relation to a *person* ("A"), A and any *person*:

...

(c) who has an ~~Article 12(1) relationship~~ a common management relationship with A;

(d) who has an ~~Article 12(1) relationship~~ a common management relationship with any *person* who falls into (a);

...

~~*parent financial holding company in a Member State*~~

means ~~(in accordance with point (26) of Article 3(1) of the CRD) a financial holding company which is not itself a subsidiary of an institution authorised in the same EEA State, or of a financial holding company or mixed financial holding company set up in the same EEA State~~ [Deleted.]

~~*parent institution in a Member State*~~

means ~~(in accordance with point (24) of Article 3(1) of the CRD) an institution authorised in an EEA State which has an institution or financial institution as subsidiary or which holds a participation in such an institution or financial institution, and which is not itself a subsidiary of another institution authorised in the same EEA State or of a financial holding company or mixed financial holding company set up in the same EEA State.~~ [Deleted.]

~~*parent mixed financial holding company in a Member State*~~

means ~~(in accordance with point (28) of Article 3(1) of the CRD) a mixed financial holding company which is not itself a subsidiary of an institution authorised in the same EEA State, or of a financial holding company or mixed financial holding company set up in the same EEA State.~~ [Deleted.]

...

...

14 APPLICATION OF THIS PART ON AN INDIVIDUAL BASIS, A CONSOLIDATED BASIS AND A SUB-CONSOLIDATED BASIS

...

14.3 A firm which is a UK parent institution in a Member State must comply with the *ICAAP rules* on a *consolidated basis*.

14.4 A firm controlled by a UK parent financial holding company in a Member State or a UK parent mixed financial holding company in a Member State must comply with the *ICAAP rules* on the basis of the *consolidated situation* of that holding company, if the *PRA* is responsible for supervision of the *firm* on a *consolidated basis* under Article 111 of the CRD-Part 6 of the Capital Requirements Regulations.

...

...

Annex AR

Amendments to the Internal Governance of Third Country Branches Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.3 In this Part, the following definitions shall apply:

auction regulation bidding

means the *regulated activity of bidding in emissions auctions* where it is carried on by:

- (a) ~~a firm that is exempt from MiFID under article 2(1)(i); or~~ collective investment undertakings and pension funds and the depositaries and managers of such undertakings; or

...

Annex AS

Amendments to the Internal Liquidity Adequacy Assessment Part

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

...

8 MANAGING LIQUIDITY ACROSS LEGAL ENTITIES, BUSINESS LINES, COUNTRIES AND CURRENCIES

8.1 A *firm* must actively manage its *liquidity risk exposures* and related funding needs and take into account

- (1) existing legal, regulatory and operational limitations to potential transfers of liquidity and unencumbered assets amongst entities, both within and outside the ~~EEA~~ UK; and

...

...

12 LIQUIDITY CONTINGENCY PLAN

...

12.3 The *liquidity contingency plan* must also set out adequate strategies and proper implementation measures in order to address possible liquidity shortfalls, ~~including in relation to branches established in another EEA State~~. Those plans must be tested at least annually, updated on the basis of the outcome of the alternative scenarios set out in 11.2, and be reported to and approved by the *firm's senior management*, so that internal policies and processes can be adjusted accordingly

12.4 A *firm* must take the necessary operational steps in advance to ensure that *liquidity contingency plans* can be implemented immediately, including holding collateral immediately available for central bank funding. This includes holding collateral where necessary in the ~~currency of another EEA State or~~ currency of a third country to which the firm has exposures, and where operationally necessary within the territory of ~~an EEA State or~~ the third country to whose currency it is exposed.

...

14 APPLICATION OF THIS PART ON AN INDIVIDUAL OR DOMESTIC LIQUIDITY SUB-GROUP BASIS AND A CONSOLIDATED BASIS

...

14.4 A firm which is ~~an EEA~~ a UK parent institution must comply with this Part on the basis of its consolidated situation.

...

14.6 A UK bank or building society controlled by ~~an EEA~~ a UK parent financial holding company or by ~~an EEA~~ a UK parent mixed financial holding company must comply with this Part on the basis of the consolidated situation of that holding company if the PRA is responsible for supervision of the UK bank or building society on a consolidated basis under ~~Article 111 of the CRD~~ Part 6 of the Capital Requirements Regulations.

14.7 A *UK designated investment firm* controlled by an ~~EEA~~ UK parent financial holding company or by an ~~EEA~~ UK parent mixed financial holding company must comply with this Part on the basis of the *consolidated situation* of that holding company if:

- (1) there is no *subsidiary* of the holding company which is a *credit institution* to which 14.6 applies; and
- (2) the *PRA* is responsible for the supervision of the *UK designated investment firm* on a *consolidated basis* under ~~Article 111 of the CRD~~ Part 6 of the *Capital Requirements Regulations*.

...

16 TRANSITION PROVISION [Deleted.]

16.1 In 14.4 — 14.7 any reference to ~~EEA~~ is to be read as a reference to ~~EU~~ [Deleted.]

Annex AT

Amendments to the Large Exposures Part

In this Annex new text is underlined.

...

2 INTRA-GROUP EXPOSURES: NON-CORE LARGE EXPOSURES GROUP AND RESOLUTION EXEMPTIONS

...

- 2.1 (1) A firm with an *NCLEG non-trading book permission* may (in accordance with that permission) exempt, from the application of Article 395(1) of the *CRR*, *non-trading book exposures*, including participations or other kinds of holdings, incurred by the *firm* to members of its *NCLEG* that are:

...

in so far as those undertakings are covered by the supervision on a *consolidated basis* to which the *firm* itself is subject, in accordance with the *CRR*, provisions implementing Directive 2002/87/EC or with equivalent standards in force in a third country.

...

NCLEG trading book exemption

- 2.2 (1) A firm with an *NCLEG trading book permission* may (in accordance with that permission) exempt, from the application of Article 395(1) of the *CRR*, *trading book exposures* up to its *trading book exposure allocation*, including *participations* or other kinds of holdings, incurred by the *firm* to members of its *NCLEG* that are:

...

in so far as those undertakings are covered by the supervision on a *consolidated basis* to which the *firm* itself is subject, in accordance with the *CRR*, provisions implementing Directive 2002/87/EC or with equivalent standards in force in a third country;

...

- 2.4 A firm must exclude from the limit in Article 395(1) of the *CRR* *resolution exposures* to:

...

in so far as those undertakings are covered by the supervision on a *consolidated basis* to which the *firm* itself is subject, in accordance with the *CRR*, provisions implementing Directive 2002/87/EC or with equivalent standards in force in a third country.

...

Annex AU

Amendments to the Leverage Ratio Part

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

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

- (1) every *firm* that is a *UK bank* or a *building society* that, on the *firm's last accounting reference date*, had *retail deposits* equal to or greater than £50 billion either on:
 - (a) an individual basis;
 - (b) if the *firm* is a *UK parent institution* ~~*in a Member State*~~, on the basis of its *consolidated situation*; or
 - (c) if the *firm* is controlled by a *UK parent financial holding company* ~~*in a Member State*~~ or by a *UK parent mixed financial holding company* ~~*in a Member State*~~ and the *PRA* is responsible for supervision of that holding company on a *consolidated basis* under ~~Article 111 of the CRD~~ Part 6 of the *Capital Requirements Regulations*, on the basis of the *consolidated situation* of that holding company; and
- (2) a *ring-fenced body* that is a member of a *group* containing a *firm* falling within 1.1(1).

...

2 BASIS OF APPLICATION

...

- 2.2 A *firm* that is a *UK parent institution* ~~*in a Member State*~~ must comply with this Part on the basis of its *consolidated situation*.
- 2.3 A *firm* that is controlled by a *UK parent financial holding company* ~~*in a Member State*~~ or a *UK parent mixed financial holding company* ~~*in a Member State*~~ for which the *PRA* is responsible for supervision on a *consolidated basis* under ~~Article 111 of the CRD~~ Part 6 of the *Capital Requirements Regulations* must comply with this Part on the basis of the *consolidated situation* of that holding company.

...

Annex AV

Amendments to the Liquidity Coverage Requirement – UK Designated Investment Firms Part

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

...

2 LIQUIDITY COVERAGE REQUIREMENT

- 2.1 (1) For the purpose of complying with Article 412 (1) of the *CRR*, a *firm* must comply with the obligations set out in the *Delegated Regulation* as they apply to a *credit institution* supervised ~~under~~ pursuant to the *CRD*, subject to the modifications in (2).

...

3 COMPLIANCE WITH LIQUIDITY REPORTING

...

- 3.2 (1) A *firm* must comply with the reporting requirements laid down in Chapter 1 and Chapter 7 to Chapter 9 of the *COREP Regulation* with the exception of Article 15 as they apply to a *credit institution* supervised ~~under~~ pursuant to the *CRD*.

4 APPLICATION OF THIS PART ON AN INDIVIDUAL BASIS AND A CONSOLIDATED BASIS

...

- 4.2 A *firm* which is ~~an EEA a UK parent institution~~ must comply with this Part on the basis of its *consolidated situation*.
- 4.3 A *firm* controlled by ~~an EEA a UK parent financial holding company~~ or by ~~an EEA a UK parent mixed financial holding company~~ must comply with this Part on the basis of the *consolidated situation* of that holding company if:

...

- (2) the *PRA* is responsible for the supervision of the *UK designated investment firm* on a *consolidated basis* under ~~Article 114 of the CRD~~ Part 6 of the *Capital Requirements Regulations*.

...

5 TRANSITIONAL PROVISIONS

- 5.1 In 4.2 and 4.3 any reference to ~~EEA~~ is to be read as a reference to EU. ~~[Deleted.]~~

Annex AW

Amendments to the Minimum Capital Requirement Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

captive insurer

means a ~~Solvency II undertaking~~ UK Solvency II firm owned by:

- (1) a financial *undertaking* other than a ~~Solvency II undertaking~~ UK Solvency II firm; or
- (2) a *group* of ~~Solvency II undertakings~~ UK Solvency II firms; or
- (3) a non-financial *undertaking*;

the purpose of which is to provide insurance cover exclusively for the risks of the undertaking or undertakings to which it belongs, or of an *undertaking*, or *undertakings*, of the *group* of which that ~~Solvency II undertaking~~ UK Solvency II firm is a member.

captive reinsurer

means a ~~Solvency II undertaking~~ UK Solvency II firm that is a *pure reinsurer* owned by:

- (1) a financial *undertaking* other than a ~~Solvency II undertaking~~ UK Solvency II firm; or
- (2) a *group* of ~~Solvency II undertakings~~ UK Solvency II firms; or
- (3) a non-financial *undertaking*;

the purpose of which is to provide *reinsurance* cover exclusively for the risks of the *undertaking* or *undertakings* to which it belongs or of an *undertaking* or *undertakings* of the *group* of which that *pure reinsurer* is a member.

Annex AX

Amendments to the Notifications Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

~~EEA~~ UK *financial conglomerate*

means a *financial conglomerate* that is of a type that falls under Article 5(2) of the ~~Financial Groups Directive~~ has:

- (a) a regulated entity at the head of the financial conglomerate;
- (b) a mixed financial holding company which has its head office in the UK; or
- (c) a regulated entity linked with another financial sector entity by a common management relationship.

...

regulated entity

means one of the following:

- (1) a *credit institution*;
- (2) an *insurance undertaking* within the meaning of Article 13(1) of the *Solvency II Directive*; or
- (3) an *investment firm*,

whether or not it is incorporated in, or has its head office in, an ~~EEA State~~ the UK.

...

~~State aid~~

means any aid granted by an ~~EEA State~~ or through an ~~EEA State's~~ resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods and which affects trade between ~~EEA States~~.

...

1.3 This Part applies to incoming firms without a top-up permission as follows: [Deleted.]

- (1) ~~1 applies in full~~

- (2) ~~2.1-2.3 apply in so far as responsibility for the matter in question is not reserved by an EU instrument to the firm's Home State regulator;~~
- (3) ~~2.4-2.5 apply in full;~~
- (4) ~~2.6-2.9 apply in so far as responsibility for the matter in question is not reserved by an EU instrument to the firm's Home State regulator;~~
- (5) ~~3-4 do not apply;~~
- (6) ~~5.1-5.3 apply in full except that 5.2(2) does not apply to an incoming EEA firm without a top-up permission;~~
- (7) ~~5.4 applies in so far as responsibility for the matter in question is not reserved by an EU instrument to the firm's Home State regulator;~~
- (8) ~~5.5 applies in full; and~~
- (9) ~~6, 7 and 9 apply in full.~~

...

2 GENERAL NOTIFICATION REQUIREMENTS

...

2.3 A firm must give the PRA notice of:

- (1) any proposed restructuring, reorganisation or business expansion which could have a significant impact on the firm's risk profile or resources, including, but not limited to:
- ...
- (b) ~~commencing the provision of cross-border services into a new territory;~~
~~[deleted.]~~
- ...
- (f) a substantial change or a series of changes in the governing body of an overseas firm ~~(other than an incoming firm);~~

...

4 NOTIFIED PERSONS

4.1 (1) An overseas firm, ~~which is not an incoming firm,~~ must notify the PRA within 30 business days of any person taking up or ceasing to hold the following positions:

...

5 CORE INFORMATION REQUIREMENTS

...

5.4 A firm must notify the PRA immediately if it becomes subject to or ceases to be subject to the supervision of any overseas regulator ~~(including a Home State regulator).~~

...

9 FINANCIAL CONGLOMERATE NOTIFICATION

...

- 9.5 (1) A *firm* must, at the level of the ~~EEA~~ UK *financial conglomerate*, regularly provide the *PRA* with details on the UK *financial conglomerate's* legal structure and governance and organisational structure, including all *regulated entities*, and non-regulated subsidiaries ~~and significant branches~~.
- (2) A *firm* must disclose publicly, at the level of the ~~EEA~~ UK *financial conglomerate*, on an annual basis, either in full or by way of references to equivalent information, a description of the UK *financial conglomerate's* legal structure and governance and organisational structure.
- (3) For the purposes of (1) and (2), where a *firm* is a member of ~~an EEA~~ a UK *financial conglomerate* which is part of a wider ~~UK regulated EEA~~ *financial conglomerate*, reporting applies only at the level of the ~~EEA~~ UK *parent mixed financial holding company* or ultimate ~~EEA~~ UK *mixed financial holding company*.

...

Annex AY

Amendments to the Outsourcing Part

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

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to a *CRR firm*:

...

(2) ~~with respect to the carrying on of *passport*ed activities by it from a *branch* in another *EEA state*;~~[deleted.]

(3) in a *prudential context* with respect to activities wherever they are carried on; and

(4) taking into account any activity of other members of a *group* of which the *firm* is a member.

...

2 OUTSOURCING

2.1 A *firm* must:

...

(2) not undertake the *outsourcing* of important operational functions in such a way as to impair materially:

(a) the quality of its internal control; and

(b) the ability of the *PRA* to monitor the *firm's* compliance with all obligations under the *regulatory system* and, if different, of a *competent authority* to monitor the *firm's* compliance with all obligations ~~under~~ implemented pursuant to *MiFID II*.

2.1A A *MiFID investment firm* must extend the arrangements and meet the requirements of the *Articles 30, 31 Outsourcing Requirements*, so they apply with respect to *other matters* on the following basis:

(1) references to "authorisation" under *MiFID II* are references to authorisation under section 31(2) of the Act;

(2) references to "obligations" ~~under~~ implemented pursuant to *MiFID II* are references to a firm's obligations under the *regulatory system*;

Annex AZ

Amendments to the Passporting Part

This Part is deleted.

Part

PASSPORTING

Deleted

Annex BA

Amendments to the Policyholder Protection Part

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

1 APPLICATION AND DEFINITIONS

...

1.1A For the purposes of Chapter 21 and Annex 2, references to “firm” includes *CRO insurers*.

1.2 In this Part, the following definitions shall apply:

...

CRO insurer

a person to whom Regulation 47 of the EEA Passport Exit Regulations applies in respect of the activities of *effecting contracts of insurance or carrying out contracts of insurance*.

...

EEA Passport Exit Regulations

means the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018.

...

money laundering

has the meaning given in Article 1(3) of the Money Laundering Directive 2015/849/EU. ~~means any act which:~~

- ~~(1) constitutes an offence under section 18 (Money laundering) of the Terrorism Act 2000;~~
- ~~(2) constitutes an offence under section 327 (Concealing etc), section 328 (Arrangements) or section 329 (Acquisition, use and possession) of the Proceeds of Crime Act 2002;~~
- ~~(3) constitutes an attempt, conspiracy or incitement to commit an offence specified in paragraph (2)~~
- ~~(4) constitutes aiding, abetting, counselling or procuring the commission of an offence specified in paragraph (2); or~~
- ~~(5) would constitute an offence specified in paragraph (2), (3), or (4) if done in the *United Kingdom*.~~

...

occupational pension fund management business

...

- (2) (other than in connection with a *personal pension scheme*) *pension fund management* written as linked long-term business, for an *occupational pension scheme* or for an institution ~~falling within~~ referred to in article 2) of the Council Directive of 3 June 2003 on the activities and

supervision of institutions for occupation retirement provision (No 2003/43/EC), but only to the extent that:

...

participant firm

means:

- (1) a firm which is an *insurer*, or a *member* (except 21, 22.6 - 22.8 and Annex 2 in respect of a *member*); or
- (2) a CRO insurer.

...

TPR insurer

means in relation to a *contract of insurance*, a *person* to whom Regulation 8 or 11 of the EEA Passport Exit Regulations applied, at the time at which the *contract of insurance* was issued.

...

9 PROTECTED CLAIMS

...

9.2 A *protected contract of insurance* is:

- (A1) (if issued on or after *exit day*) a contract of insurance within 9.2A;
- (1) (if issued after 1 December 2001 and before *exit day*) a *contract of insurance* within 9.3; or
- (2) (if issued before 1 December 2001) a *contract of insurance* within 9.6.

9.2A A contract of insurance issued on or after *exit day* which:

- (1) relates to a protected risk or commitment as described in 9.2B;
- (2) was issued by a *relevant person* (whether or not there is now a *successor* in respect of that *relevant person*) through an establishment in:
 - (a) the UK; or
 - (b) (in relation only to a *TPR insurer*, a *SRO insurer* or a *CRO insurer* that (in each case) has no establishment in the UK) an *EEA State*; or
 - (c) the Channel Islands or the Isle of Man; or
 - (d) Gibraltar
- (3) is a *contract of long-term insurance* or a *relevant general insurance contract*;
- (4) is not a *reinsurance contract*; and
- (5) if it is a *contract of insurance* entered into by a *member*, was entered into on or after 1 January 2004;

is a protected contract of insurance.

9.2B A risk or commitment is a protected risk or commitment for the purpose of 9.2A if:

- (1) in the case of a *contract of insurance* falling within 9.2A(2)(a) it is situated in the *UK, Gibraltar, the Channel Islands or the Isle of Man*;
- (2) in the case of a *contract of insurance* falling within 9.2A(2)(b) it is situated in the *UK*;
- (3) in the case of a *contract of insurance* falling within 9.2A(2)(c), it is situated in the *UK, the Channel Islands or the Isle of Man*;
- (4) in the case of a *contract of insurance* falling within 9.2A(2)(d) where the *relevant person* is a *UK firm*, it is situated in the *UK or Gibraltar*;
- (5) in the case of a *contract of insurance* falling within 9.2A(2)(d) where the *relevant person* is incorporated in Gibraltar, it is situated in the *UK*; or
- (6) in the case of a *contract of insurance* falling within 9.2A(2)(d) where the *relevant person* is a *TPR insurer, SRO insurer or CRO insurer*, it is situated in the *UK*.

9.3 A *contract of insurance* issued after 1 December 2001 and before *exit day* which:

- (1) relates to a protected risk or commitment as described in 9.4;
- (2) was issued by a *relevant person* (whether or not there is now a *successor* in respect of that *relevant person*) through an establishment in:
 - ...
 - (b) ~~another~~ an *EEA State* other than the *UK*; or
 - (c) the Channel Islands or the Isle of Man; or
 - (d) Gibraltar.
 - ...

9.4 A risk or commitment is a protected risk or commitment for the purpose of 9.3 if:

- (1) in the case of a *contract of insurance* falling within 9.3(2)(a), it is situated in the *UK, Gibraltar, an EEA State*, the Channel Islands or the Isle of Man;
- (2) in the case of a *contract of insurance* where the *relevant person* was, at the time of issue, a *UK firm* within the meaning of paragraph 10 of Schedule 3 of *FSMA* (as in force immediately before *exit day*) is a *UK firm* issuing and issued that a *contract of insurance* through an establishment falling within 9.3(2)(b), it is situated in the *UK, Gibraltar or an EEA State*;
- (3) in the case of a *contract of insurance* where the *relevant person* was not, at the time of issue, a *UK firm* within the meaning of paragraph 10 of Schedule 3 of *FSMA* (as in force immediately before *exit day*) is a *firm* which is not a *UK firm* issuing a and issued that *contract of insurance* through an establishment falling within 9.3(2)(b) or 9.3(2)(d), it is situated in the *UK*; or

...

9.5 For the purposes of 9.2B, 9.4 and 9.6, the situation of a risk or commitment is determined as follows:

...

...

10 RELEVANT PERSONS IN DEFAULT

...

10.4 The FSCS may determine a *relevant person* to be *in default* if it is satisfied that a *protected claim* exists, and the *relevant person* is the subject of one or more of the following proceedings in the UK (or of equivalent or similar proceedings in another jurisdiction):

...

- (2) a determination by the *relevant person's* ~~Home State regulator~~ regulator or ~~other competent authority~~ that the *relevant person* appears unable to meet claims against it and has no early prospect of being able to do so;

....

11 SUCCESSORS IN DEFAULT

...

11.4 The FSCS may determine a *successor* to be *in default* if it is satisfied that a *protected claim* exists, and the *successor* is the subject of one or more of the following proceedings in the UK (or of equivalent or similar proceedings in another jurisdiction):

...

- (2) where relevant, a determination by the *successor's* ~~Home State regulator~~ regulator or ~~other competent authority~~ that the *successor* appears unable to meet *claims* against it and has no early prospect of being able to do so;

...

...

12 ASSIGNMENT (AUTOMATIC, ELECTRONIC AND IN WRITING)

...

12.9 (1) The FSCS may determine that:

...

that claimant shall be treated as having irrevocably and unconditionally appointed the chairman of the FSCS for the time being to be his attorney and agent and on his behalf and in his name or otherwise to do such things and execute such deeds and documents as may be required under such laws of the UK, ~~another EEA State Gibraltar~~ or any other state or country to create or give effect to such assignment or transfer or otherwise give full effect to those powers.

...

...

ANNEX 2: METHODOLOGY FOR CALCULATION OF A PARTICIPANT FIRM'S LEVY SHARE

Insurance Class B1	General Insurance Provision
Firms with permission for:	...
Tariff base	<p>Insurance Class B1: Relevant net premium income and eligible liabilities.</p> <p>Relevant net premium income is calculated in accordance with the method applicable to the <i>firm</i> for calculating 'gross written premium for fees purposes' in Fees 1.2 and Fees 3.4 (2) (b) with the following adjustments:</p> <p>...</p> <p>(2) If an <i>incoming EEA firm</i> does not report relevant net premium income in the way contemplated in this table, the <i>participant firm's</i> relevant net premium income is calculated in the same way as they would be for a <i>UK firm</i>. [deleted.]</p> <p>Eligible liabilities are calculated in accordance with the method applicable to the <i>firm</i> for calculating 'best estimate liabilities for fees purposes' in Fees 1.2 and Fees 3.4 (2) (b) with the following adjustments:</p> <p>...</p> <p>(3) If an <i>incoming EEA firm</i> does not report liabilities in the way contemplated by this table, the <i>participant firm's</i> liabilities are calculated in the same way as they would be for a <i>UK firm</i>. [deleted.]</p> <p>...</p>

Insurance Class C1	Life and Pensions Provision
Firms with permission for:	...
Tariff base	<p>Insurance Class C1: Relevant net premium income and eligible liabilities.</p> <p>Relevant net premium income is calculated in accordance with the method applicable to the <i>firm</i> for calculating 'gross written premium for fees purposes' in Fees 1.2 and Fees 3.4 (3) (c) with the following adjustments:</p> <p>...</p> <p>(5) If an <i>incoming EEA firm</i> does not report relevant net premium income in the way contemplated in this table, the <i>participant firm's</i> relevant premium income is calculated in the same way as they would be for a <i>UK firm</i>. [deleted.]</p> <p>Eligible liabilities are calculated in accordance with the method applicable to the <i>firm</i> for calculating 'best estimate liabilities for fee purposes' as defined</p>

in Fees 1.2 and Fees 3.4 (3) (c) with the following adjustments.

...

~~(3) If an *incoming EEA firm* does not report liabilities in the way contemplated by this table, the *participant firm's* liabilities are calculated in the same way as they would be for a *UK firm*.[deleted.]~~

...

Annex BB

Amendments to the Public Disclosures Part

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

...

3 PUBLIC DISCLOSURE OF LEVERAGE RATIO

3.1 This Chapter applies to;

- (1) every *firm* that is a *UK bank* or a *building society* that, on the *firm's* last *accounting reference date*, had *retail deposits* equal to or greater than £50 billion either on:
 - (a) an individual basis;
 - (b) if the *firm* is a *UK parent institution* ~~*in a Member State*~~, on the basis of its *consolidated situation*; or
 - (c) if the *firm* is controlled by a *UK parent financial holding company* ~~*in a Member State*~~ or by a *UK parent mixed financial holding company* ~~*in a Member State*~~ and the *PRA* is responsible for supervision of that holding company on a *consolidated basis* under ~~Article 111 of the CRD~~ Part 6 of the *Capital Requirements Regulations*, on the basis of the *consolidated situation* of that holding company.

...

Application on an individual or consolidated basis

3.2 A *firm* that is:

- (1) not a member of a *consolidation group* in relation to which (2) or (3) applies must comply with this Chapter on an individual basis;
- (2) a *UK parent institution* ~~*in a Member State*~~ must comply with this Chapter on the basis of its *consolidated situation*;
- (3) controlled by a *UK parent financial holding company* ~~*in a Member State*~~ or a *UK parent mixed financial holding company* ~~*in a Member State*~~ for which the *PRA* is responsible for supervision on a *consolidated basis* under Part 6 of the *Capital Requirements Regulations* ~~Article 111 of the CRD~~ must comply with this Chapter on the basis of the *consolidated situation* of that holding company.

...

Annex BC

Amendments to the Record Keeping Part

In this Annex deleted text is struck through.

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to a *CRR firm*

...

- (2) ~~with respect to the carrying on of *passport activities* by it from a *branch* in another *EEA state*; [deleted.]~~
- (3) in a *prudential context* with respect to activities wherever they are carried on; and
- (4) taking into account any activity of other members of a *group* of which the *firm* is a member.

...

2 RECORD KEEPING

2.1 A *firm* must arrange for orderly records to be kept of its business and internal organisation, including all services, activities and transactions undertaken by it, which must be sufficient to enable the *PRA* or any other relevant ~~competent authority under *MiFID II*~~ to:

- (1) fulfil its supervisory tasks and perform the enforcement actions under the *regulatory system*; and
- (2) in particular ascertain that the *firm* has complied with all obligations.

...

Annex BD

Amendments to the Recovery Plans Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

Article 1(1)(b) entity

means a *financial institution* that is established in ~~an EEA State~~ the UK when the *financial institution* is a *subsidiary of a credit institution or investment firm*, or of an *Article 1(1)(c) entity* or an *Article 1(1)(d) entity* and is covered by the supervision of the *parent undertaking* on a *consolidated basis* in accordance with Articles 6 to 17 of *CRR*.

Article 1(1)(c) entity

means a *financial holding company, mixed financial holding company or mixed activity holding company* that is established in ~~an EEA State~~ the UK

Article 1(1)(d) entity

means a UK parent financial holding company in an EEA State, an EEA parent financial holding company, a parent mixed financial holding company in an EEA State or an EEA a UK parent mixed financial holding company.

competent authority

means a public authority or body officially recognised by national law which is empowered by national law to supervise *institutions* as part of the supervisory system in operation in the ~~EEA State~~ concerned or the European Central Bank with regard to the specified tasks conferred on it by Article 4 of Council Regulation (EU) No. 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions

means:

- (1) the PRA, in respect of PRA-*authorised persons*
- (2) the FCA, in respect of any other *person*;

conditions for early intervention

means where an *institution* infringes or is likely in the near future to infringe the requirements of the *CRR*, ~~CRD, MiFID II~~ or any of Articles 3 to 7, 14 to 17 and 24, 25 and 26 of *MiFIR* or requirements implementing CRD or MiFID II.

~~EEA consolidating supervisor~~

means a *competent authority* responsible for the exercise of supervision on a *consolidated basis* of:

- (1) ~~an EEA a UK parent institution~~; or
- (2) ~~institutions controlled by an EEA a UK parent financial holding company or an EEA a UK parent mixed financial holding company.~~

...

EEA parent undertaking

~~means an EEA parent institution, an EEA parent financial holding company or an EEA parent mixed financial holding company.~~

...

parent financial holding company in an EEA State

~~means a financial holding company which is not itself a subsidiary of an institution authorised in the same EEA State, or of a financial holding company or mixed financial holding company set up in the same EEA State.~~

parent mixed financial holding company in an EEA State

~~means a mixed financial holding company which is not itself a subsidiary of an institution authorised in the same EEA State, or of a financial holding company or mixed financial holding company set up in the same EEA State.~~

parent institution in an EEA State

~~means an institution authorised in an EEA State which has an institution or financial institution as a subsidiary or which holds a participation in such an institution or financial institution, and which is not itself a subsidiary of another institution authorised in the same EEA State or of a financial holding company or mixed financial holding company set up in the same EEA State.~~

...

significant branch

~~means a branch of an institution that would be designated as being significant in accordance with Article 51(1) of the CRD.~~

State aid

~~means any aid granted by an EEA State or through an EEA State's resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods and which affects trade between EEA States.~~

2 RECOVERY PLANS

2.1 This Chapter applies to a *firm* that is not part of a *group* subject to consolidated supervision by a consolidating supervisor pursuant to Articles 111 and 112 of the *CRD*.

...

3 GROUP RECOVERY PLANS

3.1 This Chapter applies to a *BRRD undertaking* which is:

- (1) ~~an EEA a UK parent undertaking unless the FCA is the EEA consolidating supervisor of its group; or~~
- (2) ~~a firm controlled by an EEA parent financial holding company or an EEA parent mixed financial holding company if:~~[Deleted.]
 - (a) ~~the EEA parent financial holding company or EEA parent mixed financial holding company is not incorporated in the UK and does not have a place of business in the UK; and~~
 - (b) ~~the PRA is the EEA consolidating supervisor of the firm~~

3.2 If the ~~EEA consolidating supervisor~~ is the *PRA*, a *BRRD undertaking* must draw up a *group recovery plan* and submit the *group recovery plan* to the *PRA*. ~~If the EEA consolidating supervisor is not the PRA, a BRRD undertaking that is a qualifying parent undertaking must make arrangements to ensure that a group recovery plan is drawn up and submitted to the EEA consolidating supervisor.~~

3.3 The *group recovery plan* must consist of a recovery plan for the *group* headed by the EEA UK parent undertaking as a whole.

...

3.5 The *group recovery plan* must identify measures that may be required to be implemented at the level of the EEA UK parent undertaking and each individual *subsidiary*

...

3.7 The *group recovery plan* must include arrangements to ensure the coordination and consistency of measures to be taken at the level of the EEA UK parent undertaking, at the level of an *Article 1(1)(c) entity* or *Article 1(1)(d) entity*, as well as measures to be taken at the level of a *subsidiary*. ~~and, where applicable, in accordance with the *CRD* at the level of a *significant branch*.~~

3.8 The *group recovery plan* must include the elements specified in 2.6 – 2.9. The *group recovery plan* must include, where applicable, arrangements for intra-group financial support adopted pursuant to an agreement for intra-group financial support that has been concluded in accordance with ~~Articles 19 – 26 of the *BRRD*~~ The Bank Recovery and Resolution (No 2) Order 2014 (2014/3348) or Group Financial Support 2 – 8.

...

- 3.12 A *BRRD undertaking* that is a *qualifying parent undertaking* must make arrangements to ensure it is demonstrated to the ~~EEA-consolidating supervisor~~ that the *group recovery plan* meets the requirements set out in this Chapter and the following criteria:

...

...

5 GOVERNANCE ARRANGEMENTS

...

- 5.3 A *BRRD undertaking* which is required to draw up a *group recovery plan* must, taking into account the nature, scale and complexity of its business and the business of other members of its *group*, establish and maintain appropriate internal processes regarding the governance of the *group recovery plan* and must:

- (1) ensure that its *management body* oversees, assesses and approves the *group recovery plan* before the *BRRD undertaking* submits the *group recovery plan* to the ~~EEA consolidating supervisor~~;

...

6 RECOVERY PLAN AND GROUP RECOVERY PLAN INDICATORS

...

- 6.6 A *BRRD undertaking* that is a *qualifying parent undertaking* must:

- (1) notify the *PRA* without delay if it (or any member of its *group*) decides to take action under the *group recovery plan* or to refrain from taking action and the *PRA* is the ~~EEA consolidating supervisor~~; ~~and~~
- (2) ~~make arrangements to ensure the EEA consolidating supervisor is notified without delay if it (or any member of its group) decides to take action under the group recovery plan or to refrain from taking action and the PRA is not the EEA consolidating supervisor [deleted.]~~

...

Annex BE

Amendments to the Regulatory Reporting Part

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

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* permitted to carry on the *regulated activities* listed in column (1) of the table in 6.1, ~~except an *incoming EEA firm* with *permission for cross border services* only.~~

1.2 In this Part, the following definitions shall apply:

....

credit institution

- (1) ~~a credit institution authorised under the *CRD*; or~~
- (2) ~~an institution which would satisfy the requirements for authorisation as a credit institution under the *CRD* if it had its registered office (or if it does not have a registered office, its head office) in an *EEA State*.~~

means an *undertaking* the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account, not including entities referred to in Art 2(5) of Directive 2013/36/EU.

...

FINREP firm

means

- (1) a *credit institution* or *investment firm* subject to the *CRR* that is also subject to section 403(1) of the Companies Act 2006 ~~article 4 of Regulation (EC) No 1606/2002~~; or
- (2) a *credit institution* other than one referred to in section 403(1) of the Companies Act 2006 ~~Article 4 of Regulation (EC) No 1606/2002~~ that prepares its consolidated accounts in conformity with ~~the *UK-adopted international accounting standards* adopted in accordance with the procedure laid down in article 6(2) of that Regulation.~~

...

IFRS firm

means a *firm* applying *UK-adopted international accounting standards* ~~as applicable under regulation (EC) No 1606/2002.~~

...

non-EEA-UK bank

means a *bank* which is a *body corporate* or *partnership* formed under the law of any country or territory outside the ~~*EEA-UK*~~.

...

UK consolidation group

means the *consolidation group* of a *firm* to which supervision on a *consolidated basis* by the PRA applies in accordance with Article 111 of CRD Part 6 of the *Capital Requirements Regulations*.

UK regulated EEA financial conglomerate

means a *financial conglomerate* (other than a *third-country financial conglomerate*) that satisfies one of the following conditions:

- (1) GENPRU 3.1.29 R (Capital adequacy calculations for *financial conglomerates*) in the *PRA Handbook* applies with respect to it; or
- (2) a *firm* that is a member of that *financial conglomerate* is subject to obligations imposed through its *Part 4A permission* to ensure that *financial conglomerate* meets levels of capital adequacy based or stated to be based on Annex I of the *Financial Groups Directive*.

2 REPORTING REQUIREMENTS – DATA ITEMS

...

2.4 Unless otherwise stated, any *data items* to be submitted in accordance with 2.1 to 2.3 by a ~~non-EEA non-UK bank, or an EEA bank,~~ should cover the activities of the *branch* operation in the UK only.

...

7 REGULATED ACTIVITY GROUP 1

7.1 The applicable *data items* referred to in the table in 6.1 are set out according to *firm* type in the table below:

RAG 1	Prudential category of <i>firm</i> , applicable <i>data items</i> and reporting format (1)						
	<i>UK bank other than a ring-fenced body</i>	<i>Ring-fenced body</i>	<i>Building society</i>	<i>Non-EEA bank</i> <i>Non-UK bank</i>	<i>EEA bank that has permission to accept deposits and that has its registered office (or, if it has no registered office, its head office) outside the EU</i> [deleted.]	[deleted.]	[deleted.]
Description of <i>data item</i>							
...							
Daily Flows	FSA047 ((13), (16) and (18))	FSA047 ((13), (16) and (18))	FSA047 ((13), (16) and (18))		FSA047 ((13), (15), (16) and (18)) [deleted.]	-	-

Enhanced Mismatch Report	FSA048 ((13), (16) and (18))	FSA 048 ((13), (16) and (18))	FSA048 ((13), (16) and (18))		FSA048 ((13), (15), (16) and (18)) [deleted.]	-	-
...							

...

7.3 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 7.2, unless indicated otherwise.

...

(2) Applicable to ~~non-EEA~~ non-UK banks

...

...

12 FINANCIAL CONGLOMERATES

12.1 This Chapter applies only to a *firm* that is a member of a *financial conglomerate* and either:

...

(1) it is at the head of a UK-regulated ~~EEA~~ *financial conglomerate*; or

(2) its *Part 4A permission* contains a requirement which either:

...

(b) applies 12.3 to the *firm* unless the UK mixed financial holding company of the *financial conglomerate* to which the *firm* belongs submits the report required under this rule (as if the rule applied to it).

...

...

20 CAPITAL+ REPORTS

...

20.6 A *firm* satisfies *Capital+ condition 1*:

(1) if the *firm* is a UK parent institution in a Member State, where it has *retail deposits* equal to or greater than £50 billion and *total assets* equal to or greater than £320 billion on the basis of its *consolidated situation*;

(2) if the *firm* is controlled by a UK parent financial holding company in a Member State, a UK parent mixed financial holding company in a Member State or a UK parent institution in a Member State and the PRA is responsible for supervision of that holding company or UK parent institution in a Member State on a *consolidated basis* under Article 111 of the CRD Part 6 of the *Capital Requirements Regulations*, where it has *retail deposits* equal to or greater than £50 billion and *total assets* equal to or

greater than £320 billion on the basis of the *consolidated situation* of that UK holding company or ~~UK parent institution in a Member State~~;

...

...

20.8 A firm satisfies *Capital+* condition 3:

- (1) if the firm is a ~~UK parent institution in a Member State~~, where it has *retail deposits* equal to or greater than £50 billion and *total assets* greater than £5 billion but less than £320 billion on the basis of its *consolidated situation*;
- (2) if the firm is controlled by a ~~UK parent financial holding company in a Member State~~, a ~~UK parent mixed financial holding company in a Member State~~ or a ~~UK parent institution in a Member State~~ and the PRA is responsible for supervision of that UK holding company or ~~UK parent institution in a Member State~~ on a *consolidated basis* under ~~Article 111 of the CRD~~ Part 6 of the *Capital Requirements Regulations*, where it has *retail deposits* greater than or equal to £50 billion and *total assets* greater than £5 billion but less than £320 billion on the basis of the *consolidated situation* of that UK holding company or ~~UK parent institution in a Member State~~;

...

20.10 A firm satisfies *Capital+* condition 5 if it:

- (1) is part of a *consolidation group*
- (2) has *total assets* greater than £5 billion
 - (a) if the firm is a ~~UK parent institution in a Member State~~, on the basis of its *consolidated situation*
 - (b) if the firm is controlled by a ~~UK parent financial holding company in a Member State~~, a ~~UK parent mixed financial holding company in a Member State~~ or a ~~UK parent institution in a Member State~~ and the PRA is responsible for supervision of that UK holding company or ~~UK parent institution in a Member State~~ on a *consolidated basis* under ~~Article 111 of the CRD~~ Part 6 of the *Capital Requirements Regulations*, on the basis of the *consolidated situation* of that UK holding company or ~~UK parent institution in a Member State~~; and

...

20.22 Where a firm is required to submit a *data item* in accordance with this rule, that *data item* should be completed:

...

- (2) if the firm is a ~~UK parent institution in a Member State~~ and the firm satisfies *Capital+* condition 1 on the basis of 20.6(1) or *Capital+* condition 3 on the basis of 20.8(1), on the basis of its *consolidated situation*; or
- (3) if the firm is controlled by a ~~UK parent financial holding company in a Member State~~, a ~~UK parent mixed financial holding company in a Member State~~ or a ~~UK parent institution in a Member State~~ and the PRA is responsible for supervision of that holding company or ~~UK parent institution in a Member State~~ on a *consolidated basis* under ~~Article 111 of the CRD~~ Part 6 of the *Capital Requirements Regulations* and the firm satisfies *Capital+* condition 1 on the basis of 20.6(2) or *Capital+* condition 3 on the basis of 20.8(2), on the basis of the *consolidated situation* of that holding company or ~~UK parent institution in a Member State~~.

20.22A If a *firm* meets a *Capital+ condition* on the basis of 20.6(4), 20.8(4) or 20.10A, it must submit the *data item* on a *sub-consolidated basis* in addition to meeting any requirement to submit a *data item* on an individual basis or on the basis of its, its holding company's or its UK parent institution's ~~in a Member State's consolidated situation~~.

...

20.24 Where a *firm* is required to submit a *data item* in accordance with this rule, as set out in the *Capital+ reporting table*, that *data item* should be completed:

- (1) if the *firm* is a UK parent institution ~~in a Member State~~ and the *firm* satisfies *Capital+ condition 5* on the basis of 20.10(2)(a) or *Capital+ condition 7* on the basis of 20.12, on the basis of its *consolidated situation*; or
- (2) if the *firm* is controlled by a UK parent financial holding company ~~in a Member State~~, a UK parent mixed financial holding company ~~in a Member State~~ or a UK parent institution ~~in a Member State~~ and the *PRA* is responsible for supervision of that holding company or UK parent institution ~~in a Member State~~ on a *consolidated basis* under ~~Article 111 of the CRD~~ Part 6 of the *Capital Requirements Regulations* and the *firm* satisfies *Capital+ condition 5* on the basis of 20.10(2)(b) or *Capital+ condition 7* on the basis of 20.12, on the basis of the *consolidated situation* of that holding company or UK parent institution ~~in a Member State~~.

...

Annex BF

Amendments to the Regulatory Reporting Part

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

...

7 REGULATED ACTIVITY GROUP 1

7.1 The applicable *data items* referred to in the table in 6.1 are set out according to *firm* type in the table below:

RAG 1	Prudential category of <i>firm</i> , applicable <i>data items</i> and reporting format (1)						
	<i>UK bank other than a ring-fenced body</i>	<i>Ring-fenced body</i>	<i>Building society</i>	<i>Non-UK bank</i>	[deleted.]	[deleted.]	[deleted.]
Description of <i>data item</i>							
...							
Cash Flow Mismatch	PRA110 (35) (36) (37)	PRA110 (28) (35) (36) (37)	PRA110 (35) (36) (37)		PRA 110(35) (36) (37) [deleted]		
...							

...

(35) A *firm* must complete this item separately on each of the following bases that are applicable.

...

- (d) If it is an ~~an EU UK parent institution~~, it must complete the item on the basis of its consolidated situation if the *PRA* is responsible for supervision of the *firm* on a consolidated basis in accordance with Part 6 of the Capital Requirements Regulations.
- (e) If it is a *UK bank* or *building society* controlled by an ~~an EU UK parent financial holding company~~ or by an ~~an EU UK parent mixed financial holding company~~ it must complete the item on the basis of the consolidated situation of that holding company if the *PRA* is responsible for supervision of the *firm* on a consolidated basis in accordance with Part 6 of the Capital Requirements Regulations ~~under Article 111 of the CRD~~.

- (f) If it is a *UK designated investment firm* controlled by an ~~EU~~ *UK parent financial holding company* or by an ~~EU~~ *UK parent mixed financial holding company* the *firm* must complete the item on the basis of the *consolidated situation* of that holding company if: (1) there is no *subsidiary* of the holding company which is a *credit institution* to which (e) applies; and (2) the *PRA* is responsible for the supervision of the *firm* on a *consolidated basis* in accordance with Part 6 of the *Capital Requirements Regulations* under Article 111 of the *CRD*.

...

- 7.2 The applicable reporting frequencies for submission of *data items* and periods referred to in 7.1 are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

...

- (14) The reporting frequency is as follows:
- (a) weekly if the *firm* has *total assets*, calculated in accordance with provisions implementing Council Directive 86/635/EEC, equal or greater than EUR 30 billion on either an individual basis or *UK consolidation group* basis. This requirement stops applying if the *total assets* of the *firm* on both an individual basis and *UK consolidation group* basis reduce to less than EUR 30 billion for at least four consecutive weekly reporting periods, in which case the *firm* is required to start reporting this *data item* monthly after the end of last consecutive reporting period; and
 - (b) monthly if the *firm* has *total assets*, calculated in accordance with provisions implementing Council Directive 86/635/EEC, of less than EUR 30 billion on both an individual basis and *UK consolidation group* basis. This requirement stops applying if during any monthly reporting period the *total assets* of the *firm*, on either an individual basis or *UK consolidation group* basis, become equal to or greater than EUR 30 billion, in which case the *firm* is required to start reporting this *data item* weekly after the end of that reporting period.

...

9.2

...

- (19) A *firm* must complete this item separately on each of the following bases that are applicable.

...

- (d) If it is an ~~EU~~ *UK parent institution*, it must complete the item on the basis of its *consolidated situation* if the *PRA* is responsible for supervision of the *firm* on a *consolidated basis* in accordance with Part 6 of the *Capital Requirements Regulations*.

- (e) If it is a *UK bank* or *building society* controlled by an ~~EU~~ *UK parent financial holding company* or by an ~~EU~~ *UK parent mixed financial holding company* it must complete the item on the basis of the *consolidated situation* of that holding company if the *PRA* is responsible for supervision of the *firm* on a *consolidated basis* in accordance with Part 6 of the *Capital Requirements Regulations* under Article 111 of the *CRD*.

- (f) If it is a *UK designated investment firm* controlled by an ~~EU~~ *UK parent financial holding company* or by an ~~EU~~ *UK parent mixed financial holding company* the *firm* must complete the

item on the basis of the *consolidated situation* of that holding company if: (1) there is no *subsidiary* of the holding company which is a *credit institution* to which (e) applies; and (2) the PRA is responsible for the supervision of the *firm* on a *consolidated basis in accordance with Part 6 of the Capital Requirements Regulations under Article 111 of the CRD*.

If the *data item* is required to be completed by the *firm* on a *consolidated basis* (pursuant to (d), (e) or (f) above) or on a *sub-consolidated basis* (pursuant to (c) above), the *firm* must carry out the consolidation or sub-consolidation to the same extent and in the same manner as it is required to comply with the obligations laid down in Part Six of the CRR on a *consolidated basis* or *sub-consolidated basis*.

...

9.3

(11) The reporting frequency is as follows:

- (a) weekly if the *firm* has *total assets*, calculated in accordance with provisions implementing Council Directive 86/635/EEC, equal or greater than EUR 30 billion on either an individual basis or *UK consolidation group* basis. This requirement stops applying if the *total assets* of the *firm* on both an individual basis and *UK consolidation group* basis reduce to less than EUR 30 billion for at least four consecutive weekly reporting periods, in which case the *firm* is required to start reporting this *data item* monthly after the end of last consecutive reporting period; and
- (b) monthly if the *firm* has *total assets*, calculated in accordance with provisions implementing Council Directive 86/635/EEC, of less than EUR 30 billion on both an individual basis and *UK consolidation group* basis. This requirements stops applying if during any monthly reporting period the *total assets* of the *firm*, on either an individual basis or *UK consolidation group* basis, become equal to or greater than EUR 30 billion, in which case the *firm* is required to start reporting this *data item* weekly after the end of that reporting period.

Annex BG

Amendments to the Related Party Transaction Risk Part

In this Annex deleted text is struck through.

1 APPLICATIONS AND DEFINITIONS

1.1 This Part applies to:

- (1) a *UK bank*;
- (2) a *building society*; and
- (3) an *overseas firm* that:
 - (a) ~~is not an *incoming firm*; and [deleted.]~~
 - (b) has a *Part 4A permission* that includes permission to carry out *accepting deposits*.

...

Annex BH

Amendments to the Remuneration Part

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

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

- (1) a *CRR firm* in relation to its;
- (a) *UK* activities; and
- (b) ~~passport activities carried on from a branch in another EEA State; and~~
[deleted.]
- (c) other activities wherever they are carried on, in a *prudential context*; and

...

1.3 (1) In this Part, the following definitions shall apply:

...

consolidation group entity

means an *institution* or *financial institution* which is, in relation to a *CRR firm* responsible for consolidation:

- (1) the *CRR firm* responsible for consolidation;
- (2) a *subsidiary* of the *CRR firm* responsible for consolidation; or
- (3) a *subsidiary* of the ~~EEA~~ UK parent financial holding company or ~~EEA~~ UK parent mixed financial holding company by which the *CRR firm* responsible for consolidation is controlled.

CRR firm responsible for consolidation

means a *CRR firm* which is either:

- (1) ~~an EEA~~ UK parent institution; or
- (2) controlled by ~~an EEA~~ UK parent financial holding company or by ~~an EEA~~ UK parent mixed financial holding company and to which supervision on a consolidated basis by the PRA applies in accordance with ~~Article 111 of CRD~~ Part 6 of the Capital Requirements Regulations

...

total assets

means:

- (1) in relation to a *CRR firm* ~~or an EEA bank~~, its total assets as set out in its balance sheet on the relevant *accounting reference date*; and
- (2) in relation to a *third country CRR firm*, the total assets of the *third country CRR firm* as set out in its balance sheet on the relevant *accounting reference date* that cover the activities of the *branch* operation in the *UK*.

...

4 GROUPS

- 4.1 A *firm* must apply the requirements at *group, parent undertaking* and *subsidiary undertaking* levels, including those *subsidiaries* established in a country or territory which is not the UK ~~in an EEA State~~.

...

14 NON-COMPLIANCE

- 14.1 A *firm* must ensure that variable *remuneration* is not paid through vehicles or methods that facilitate non-compliance with obligations arising from *CRR*, ~~CRD~~ or this Part.

15 REMUNERATION STRUCTURES

...

- 15.11 A *firm* must ensure that any approval by the shareholders or owners or members of the *firm* for the purposes of 15.10 is carried out in accordance with the following procedure:

...

- (3) the *firm* must, without delay, inform the *PRA* of the recommendation to its shareholders or owners or members, including the proposed higher ratio and the reasons therefor and must demonstrate to the *PRA* that the proposed higher ratio does not conflict with the firm's obligations under the ~~CRD and the CRR~~ and provisions implementing the CRD, having regard in particular to the *firm's own funds* obligations;

...

- 15.13 A *firm* may apply a discount rate to a maximum of 25% of an *employee's* total variable *remuneration* provided it is paid in instruments that are deferred for a period of not less than five years. ~~In applying this discount rate, firms must apply the EBA Guidelines on the applicable notional discount rate for variable remuneration of 27 March 2014.~~

17 REMUNERATION BENCHMARKING REPORTING REQUIREMENTS

...

- 17.5 A *firm* that is not, and does not have, ~~an EEA a UK parent institution, an EEA a UK parent financial holding company or an EEA a UK parent mixed financial holding company~~ must complete that report on an unconsolidated basis in respect of *remuneration* awarded to *employees* of the *firm* in the last completed financial year.

...

18 HIGH EARNERS REPORTING REQUIREMENTS

...

- 18.4 A firm that is not, and does not have, ~~an EEA a UK parent institution, an EEA a UK parent financial holding company or an EEA a UK parent mixed financial holding company~~ must complete that report on an unconsolidated basis in respect of *remuneration* awarded in the last completed financial year to all *high earners* of the *firm* who mainly undertook their professional activities within the UK EEA.
- 18.5 A firm that is a *CRR firm responsible for consolidation* must complete that report on a *consolidated basis* in respect of *remuneration* awarded in the last completed financial year to all *high earners* who mainly undertook their professional activities within the ~~EEA UK~~ at:
- (1) the ~~EEA UK parent institution, EEA UK parent financial holding company or the EEA UK parent mixed financial holding company~~ of the *consolidation group*;
 - (2) each *consolidation group entity* that has its registered office (or if it has no registered office, its head office) in ~~the UK an EEA State~~; and
 - (3) each *branch* of any other *consolidation group entity* that is established or operating in ~~the UK an EEA State~~.

...

Annex BI

Amendments to the Reporting Part

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

...

3 PUBLIC DISCLOSURE: SOLVENCY AND FINANCIAL CONDITION REPORT

...

3.6 The disclosure required by 3.3(5)(b) must include the following:

...

- (2) the amount of any *capital add-on* imposed upon the *firm* ~~in accordance with Article 37 of the *Solvency II Directive*, by the *PRA*~~ together with concise information on the justification given by the *PRA* for its imposition; and
- (3) the impact of any *undertaking specific parameters* the *firm* is required to use in calculating the *standard formula* by the *PRA* ~~in accordance with Article 110 of the *Solvency II Directive*~~, together with concise information on the justification given by the *PRA* for requiring the use of those *undertaking specific parameters*.

Annex BJ

Amendments to the Reporting Leverage Ratio Part

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

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

- (1) every *firm* that is a *UK bank* or a *building society* that, on the *firm's last accounting reference date*, had *retail deposits* equal to or greater than £50 billion either on:
- (a) an individual basis;
 - (b) if the *firm* is a *UK parent institution* ~~*in a Member State*~~, on the basis of its *consolidated situation*; or
 - (c) if the *firm* is controlled by a *UK parent financial holding company* ~~*in a Member State*~~ or by a *UK parent mixed financial holding company* ~~*in a Member State*~~ and the *PRA* is responsible for supervision of that holding company on a *consolidated basis* under ~~Article 111 of the CRD~~ Part 6 of the *Capital Requirements Regulations*, on the basis of the *consolidated situation* of that holding company; and

...

2 BASIS OF APPLICATION

...

2.2 A *firm* that is a *UK parent institution* ~~*in a Member State*~~ must comply with this Part on the basis of its *consolidated situation*.

2.3 A *firm* that is controlled by a *UK parent financial holding company* ~~*in a Member State*~~ or a *UK parent mixed financial holding company* ~~*in a Member State*~~ for which the *PRA* is responsible for supervision on a *consolidated basis* under Part 6 of the *Capital Requirements Regulations* ~~Article 111 of the CRD~~ must comply with this Part on the basis of the *consolidated situation* of that holding company.

Annex BK

Amendments to the Reporting Pillar 2 Part

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

1 APPLICATIONS AND DEFINITIONS

...

- 1.4 A firm which is a UK parent institution ~~in a Member State~~ must comply with this Part on a consolidated basis.
- 1.5 A firm controlled by a UK parent financial holding company ~~in a Member State~~ or a UK parent mixed financial holding company ~~in a Member State~~ must comply with this Part on the basis of the consolidated situation of that holding company, if the PRA is responsible for supervision of the firm on a consolidated basis under Article 111 of the CRD Part 6 of the Capital Requirements Regulations.
- 1.6 In this Part the following definitions shall apply:

...

parent financial holding company in a Member State

means (in accordance with point (26) of Article 3(1) of the ~~CRD~~) a financial holding company which is not itself a subsidiary of an institution authorised in the same EEA State, or of a financial holding company or mixed financial holding company set up in the same EEA State.

parent institution in a Member State

means (in accordance with point (24) of Article 3(1) of the ~~CRD~~) an institution authorised in an EEA State which has an institution or financial institution as subsidiary or which holds a participation in such an institution or financial institution and which is not itself a subsidiary of another institution authorised in the same EEA State or of a financial holding company or mixed financial holding company set up in the same EEA State.

parent mixed financial holding company in a Member State

means (in accordance with point (28) of Article 3(1) of the ~~CRD~~) a mixed financial holding company which is not itself a subsidiary of an institution authorised in the same EEA State, or of a financial holding company or mixed financial holding company set up in the same EEA State.

Annex BL

Amendments to the Resolution Pack Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

competent authority

means a public authority or body officially recognised by national law which is empowered by national law to supervise ~~institutions~~ as part of the supervisory system in operation in the ~~EEA State concerned or the European Central Bank with regard to the specific tasks conferred on it by Article 4 of Council Regulation (EU) No. 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.~~

EEA consolidating supervisor

means a *competent authority* responsible under the ~~CRD~~ for the exercise of supervision on a consolidated basis of:

- (1) ~~an EEA a UK~~ parent institution; or
- (2) institutions controlled by ~~an EEA a UK~~ parent financial holding company or ~~an EEA a UK~~ parent mixed financial holding company.

EEA UK parent undertaking

means ~~an EEA a UK~~ parent institution, ~~an EEA a UK~~ parent financial holding company or ~~an EEA a UK~~ parent mixed financial holding company.

group-level resolution authority

means the ~~resolution authority~~ in the ~~EEA State~~ in which the ~~EEA consolidating supervisor~~ is situated.

...

group resolution plan

means a plan for the resolution of a *group* drawn up in accordance with ~~Articles 12 and 13 of the BRRD Article 40 and Schedule 2 of The Bank Recovery and Resolution (No 2) Order 2014 (2014/3348).~~

parent financial holding company in an EEA State

means a *financial holding company* which is not itself a *subsidiary* of an *institution* authorised in the same *EEA State*, or of a *financial holding company* or *mixed financial holding company* set up in the same *EEA State*.

parent mixed financial holding company in an EEA State

~~means a mixed financial holding company which is not itself a subsidiary of an institution authorised in the same EEA State, or of a financial holding company or mixed financial holding company set up in the same EEA State.~~

~~parent institution in an EEA State~~

~~means an institution authorised in an EEA State which has an institution or financial institution as subsidiary or which holds a participation in such an institution or financial institution, and which is not itself a subsidiary of another institutions authorised in the same EEA State or of a financial holding company or mixed financial holding company set up in the same EEA State.~~

~~resolution authority~~

~~means an authority designated by an EEA State in accordance with Article 3 of the BRRD the Bank of England.~~

...

3 GROUP RESOLUTION PACK

3.1 This Chapter applies to a BRRD undertaking which is:

- (1) ~~an EEA a UK parent undertaking unless the FCA is the EEA consolidating supervisor of its group; or~~
- (2) ~~a firm controlled by an EEA parent financial holding company or an EEA parent mixed financial holding company if:~~
 - (a) ~~the holding company is not incorporated in the UK and does not have a place of business in the UK; and~~
 - (b) ~~the PRA is the EEA consolidating supervisor of the firm [Deleted.]~~

...

3.4 A BRRD undertaking must submit its group resolution pack to the PRA, ~~if the PRA is the EEA consolidating supervisor and, in any other case, to the group-level resolution authority.~~

...

Annex BM

Amendments to the Ring-Fenced Bodies Part

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

...

16 ACCESS TO CENTRAL COUNTERPARTIES AND CENTRAL SECURITIES DEPOSITORIES

...

- 16.3 For the purposes of this Chapter, if a *ring-fenced body* accesses the services of a *central counterparty* or a *central securities depository* not established in ~~an EEA state~~ the UK or any part of whose operations are not subject to the law of ~~an EEA state~~ the UK, the *ring-fenced body* will be considered to comply with the *rules* in this Chapter if it has taken necessary steps to ensure that its positions, if applicable, and assets are identifiable separately from the positions, if applicable, and assets of any other *person* by measures that deliver outcomes comparable to those set out in the *rules* in this Chapter.

...

Annex BN

Amendments to the Risk Control Part

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

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to a *CRR firm*

...

(2) ~~with respect to the carrying on of *passport*ed activities by it from a *branch* in another *EEA state*; [deleted.]~~

...

1.1A 2.1 to 2.6 do not apply to a *firm* with respect to the carrying on of *benchmarking activities* except to the extent that ~~they transpose an *EU instrument*~~ those rules constitute *retained EU law*.

Annex BO

Amendments to the Run-off Operations Part

In this Annex new text is underlined.

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

- (1) a *UK Solvency II* firm; and
- (2) in accordance with 5, *third country branch undertakings* except:
 - (a) Swiss general insurers; and
 - (b) SRO insurers.

Annex BP

Amendments to the Senior Management Functions Part

In this Annex new text is underlined.

1 APPLICATION AND DEFINITIONS

- 1.1 Unless otherwise stated, this Part applies to every *firm* that is:
- (1) a *CRR firm*;
 - (2) a *credit union*; or
 - (3) a *third country CRR firm* in relation to: ~~the activities of its establishment in the UK.~~
 - (a) the activities of its establishment in the UK; or
 - (b) if it does not have an establishment in the UK, its activities in the UK.
- ...

7 UK BRANCH OF OVERSEAS FIRM

- 7.1 This Chapter applies only to a *third country CRR firm* in relation to: ~~the activities of its establishment in the UK.~~
- (a) the activities of its establishment in the UK; or
 - (b) if it does not have an establishment in the UK, its activities in the UK.
- 7.1A (1) 7.2 and 7.3(1) do not apply to a *third country CRR firm* that is a *SRO firm*.
- (2) 7.4 and 7.5 apply only to a *SRO firm*.
- 7.2 The *Head of Overseas Branch Function* (SMF 19) is the function of having responsibility alone or jointly with others for: ~~the conduct of all activities of the UK establishment of a third country firm which are subject to the UK regulatory system.~~
- (i) the conduct of all activities of the UK establishment of a *third country firm* which are subject to the UK regulatory system; or
 - (ii) where the *firm* does not have an establishment in the UK, the conduct of all activities which are subject to the UK regulatory system.
- ...
- 7.4 A *SRO firm* must ensure that at least one *person* performs the *Head of Overseas Branch function* on its behalf
- 7.5 For the purposes of 7.4, the *Head of Overseas Branch Function* (SMF 19) is the function of having responsibility to oversee the orderly run-off of the *firm's regulated activities* in the UK.

Annex BQ

Amendments to the Senior Managers Regime – Applications and Notifications Part

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

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* that is:

- (1) a *CRR firm*;
- (2) a *credit union*; or
- (3) a *third country CRR firm* in relation to: ~~the activities of its establishment in the UK.~~
 - (a) the activities of its establishment in the UK; or
 - (b) if it does not have an establishment in the UK, its activities in the UK.

1.2 In this Part, the following definitions shall apply:

...

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 for the performance of an *FCA designated senior management function* or a *significant influence function*;

but excludes a notice given under section 59ZZA of *FSMA* treating a *person* as approved for those purposes.

...

1.3 In this Part, *PRA approved person* also includes a *person* in relation to whom a notice under section 59ZZA has been given to an *authorised person*.

...

2A SECTION 59ZZA APPLICATION

2A.1 (1) In the case of a *section 59ZZA application*, the following directions shall have effect in substitution for any directions relating to the provision of information, documents, statement of responsibilities and the form of application that would otherwise apply on the making of an application under section 60 of *FSMA*.

- (2) The PRA directs that the application must contain the information and be accompanied by such documents as are set out in the form approved by the PRA for the purposes of this direction; except that where the application is in respect of a person who holds a current approved persons approval, Form E may be used in accordance with 2.3 instead.
- (3) The PRA directs that the application must be accompanied by a statement of responsibilities in accordance with Allocation of Responsibilities 2.1, containing such information as is set out in the form approved by the PRA for the purposes of this direction; except that where Form E is used pursuant to (2) above, the application must provide a statement of responsibilities in the form specified in 2.7(2).
- (4) A function performed by a person in relation to whom a notice under section 59ZZA of FSMA could be given, shall not (otherwise than for the purposes of making an application under section 60 of FSMA), be treated as a controlled function until the earliest of -
- (a) 12 weeks beginning on the day on which exit day occurs;
 - (b) the giving of the notice under section 59ZZA of FSMA; or
 - (c) the notification by the PRA of its decision to grant or refuse the application.

2B SRO FIRMS

2B.1 2A.1 shall apply to a SRO firm as if

- (1) the reference in 2A.1(2) and (3) to the forms approved by the PRA were references to the forms approved for the purposes of an application made by a SRO firm; and
- (2) as if the reference in 2A.1(4)(a) to 12 weeks beginning on the day on which exit day occurs were a reference to 12 weeks beginning on the day the firm became a SRO firm.

7 PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS

- 7.1 (1) The PRA directs that:
- (a) subject to (aa) a firm other than a credit union must make any applications, notifications or submissions required by this Part by submitting the form specified using the ONA system; and
 - (aa) a firm making a section 59ZZA application must do so by submitting the information, documents, statement of responsibilities and forms required by 2A: in the manner set out in Notifications 7;

Annex BR

Amendments to the Skills, Knowledge and Expertise Part

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

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to a *CRR firm*

...

(2) ~~with respect to the carrying on of *passport activities* by it from a *branch* in another *EEA state* [deleted.]~~

...

1.1A 2.1A to 2.1B do not apply to a *firm* with respect to the carrying on of *benchmarking activities* except to the extent that ~~they transpose an *EU instrument*~~ those rules constitute *retained EU law*.

...

Annex BS

Amendments to the Stay In Resolution Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.3 The condition in 1.2 is that the *subsidiary* is:

- (1) a *credit institution*;
- (2) an *investment firm* or an *undertaking* which would be an *investment firm* if it had its head office in ~~an EEA State~~ the UK; or
- (3) a *financial institution*; and

is not a *BRRD undertaking* which falls within 1.1

1.4 In this Part, the following definitions shall apply:

...

excluded person

means:

...

- (b) ~~a person who has been designated by an EEA State as a system under Article 2(a) of the Directive 98/26/EC of the European Parliament and of the Council on settlement finality in payment and securities settlement systems or an operator of such a system; [deleted.]~~
- (c) an exchange, other trading facility, payment system, settlement system or other financial market utility or infrastructure established in a *third country* not within (a) ~~or (b)~~;

...

3 TRANSITIONAL PROVISIONS

3.1 From 1 June 2016 this Part applies in relation to a *third-country law financial arrangement* under 2.1 where a direct or indirect counterparty is:

- (1) a *credit institution*;
- (2) an *investment firm*; or
- (3) an *undertaking* which would be an *investment firm* if it had its head office in ~~an EEA State~~ the UK.

...

Annex BT

Amendments to the Supervised Run-Off Part

In this Annex, the text is all new and is not underlined.

Part

SUPERVISED RUN-OFF

Chapter content

1. APPLICATION AND DEFINITIONS
2. PROVISION OF RUN-OFF PLAN
3. CONTENT OF RUN-OFF PLAN
4. NOTIFICATIONS AND ANNUAL UPDATES

1 APPLICATION AND DEFINITIONS

1.1 This Part applies to *SRO firms*, except *SRO insurers*.

1.2 In this Part, the following definitions shall apply:

end date

means the end of the relevant period determined in accordance with regulation 41 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018.

2 PROVISION OF RUN-OFF PLAN

2.1 A *firm* must, within 28 days of the date on which the *firm* becomes an *SRO firm*, submit a run-off plan, in accordance with 3, to the *PRA*.

3 CONTENT OF RUN-OFF PLAN

3.1 A *firm's* run-off plan must:

- (1) describe the *firm's* run-off strategy;
- (2) include a description of the business of the *firm*;
- (3) include an explanation of how, or to what extent, the *firm* will have ceased *accepting deposits* by the *end date*; and
- (4) cover the run-off period until all *deposits*, including any interest or premium payable, will be paid, repaid or returned to *depositors* or otherwise transferred.

4 NOTIFICATIONS AND ANNUAL UPDATES

4.1 A *firm* must notify the *PRA* promptly of any matter which has happened or is likely to happen and which represents a significant departure from the run-off plan and either:

- (1) explain the nature of the departure and the reasons for it; or
- (2) include an amended run-off plan and explain the amendments and the reasons for them.

4.2 A *firm* must, at least annually, update the *PRA* in writing on progress against, or deviation from, its run-off plan submitted in accordance with 2.

Annex BU

Amendments to the Technical Provisions Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply;

...

cost-of-capital rate

means the rate (above the relevant risk-free interest rate) that must be used in the determination of the cost that a ~~Solvency II undertaking-UK~~ Solvency II firm would incur in order to hold an amount of *eligible own funds* equal to the SCR necessary to support the insurance and *reinsurance obligations* over their lifetime, as specified in the *Solvency II Regulations* ~~adopted under Article 86 of the Solvency II Directive.~~

2 CALCULATION OF TECHNICAL PROVISIONS

...

2.2 The value of *technical provisions* must correspond to the current amount that the *firm* would have to pay if it were to transfer its insurance and *reinsurance obligations* immediately to another ~~Solvency II undertaking-UK~~ Solvency II firm.

...

4 RISK MARGIN

4.1 Where *firms* value the *best estimate* and *risk margin* separately, the *risk margin* must be an amount equal to the cost that a ~~Solvency II undertaking-UK~~ Solvency II firm would incur in order to hold *eligible own funds* to cover the SCR necessary to support the insurance and *reinsurance obligations* over their lifetime, determined using the *cost-of-capital rate*.

4.2 The *risk margin* must be such as to ensure that the value of the *technical provisions* is equivalent to the amount that a ~~Solvency II undertaking-UK~~ Solvency II firm would be expected to require in order to take over and meet the insurance and *reinsurance obligations* over their lifetime.

7 CALCULATION OF THE MATCHING ADJUSTMENT

...

7.2 The *matching adjustment* shall be calculated for each currency in accordance with the following principles:

...

- (4) the use of external credit assessments in the calculation of the *matching adjustment* shall be in line with the specifications set out in the *Solvency II Regulations*, ~~adopted under Article 111(1)(n) of the *Solvency II Directive*.~~

7.3 For the purposes of 7.2(2) and subject to 7.5, the fundamental spread shall be:

...

- (2) for exposures to ~~the UK's EEA States'~~ central governments and central banks, no lower than 30% of the long term average of the spread over the risk-free interest rate of assets of the same duration, credit quality and asset class, as observed in financial markets;
- (3) for assets other than exposures to ~~the UK's EEA States'~~ central governments and central banks, no lower than 35% of the long-term average of the spread over the risk-free interest rate of assets of the same duration, credit quality and asset class, as observed in financial markets;

...

8 VOLATILITY ADJUSTMENT

8.1 A firm must not apply a *volatility adjustment* to the *relevant risk-free interest rate term structure* to calculate the *best estimate* of its insurance or *reinsurance* obligations unless:

...

- (2) the *volatility adjustment* has been set out in *Solvency II Regulations* ~~adopted under Article 77e of the *Solvency II Directive*~~ or published by the PRA under regulation 4B of the *Solvency 2 Regulations*.

...

8.4 A firm must only apply a *volatility adjustment* that includes a relevant country increase referred to in ~~Article 77d(4) of the *Solvency II Directive*~~ regulation 4B(6) of the *Solvency 2 Regulations* to calculate the *best estimate* of its insurance or *reinsurance* obligations of products sold in the insurance market of that country, respectively.

15 COMMUNITY CO INSURANCE OPERATIONS

15.1 ~~In relation to *Community co-insurance operations*, where a firm is a *leading insurer* or a *relevant insurer*, the amount of *technical provisions* shall be determined according to 2 to 13. [Deleted.]~~

15.2 ~~The *technical provisions* calculated by a firm which is a *relevant insurer* shall be at least equal to those determined by the *leading insurer*. [Deleted.]~~

Annex BV

Amendments to the Third Country Branches Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

EEA MCR

means a capital requirement calculated in accordance with the *Minimum Capital Requirement* Part of the *PRA* Rulebook but taking account only of the operations effected by the *third country branch* and all the *third country undertaking EEA branches*

EEA SCR

means a capital requirement calculated in accordance with the *SCR Rules* but taking account only of the operations effected by the *third country branch* and all the *third country undertaking EEA branches*

EEA technical provisions

means the technical provisions established in accordance with the *Technical Provisions Part* of the *PRA* Rulebook to cover the insurance and reinsurance obligations assumed by a *UK deposit insurer* in the *EEA*

EEA deposit insurer

means a *third country branch undertaking* that has made a deposit in an *EEA State* (other than the *UK*) under Article 162(2)(e) of the *Solvency II Directive* in accordance with Article 167 of the *Solvency II Directive*

...

third country branch undertaking SCR

means

- (1) for a *UK deposit insurer*, *EEA SCR*;
- (2) for an *EEA deposit insurer*, its solvency capital requirement calculated according to the relevant *Solvency II EEA implementing measures* in the *EEA State* that supervises the solvency of the entire business of the branches within the *EEA* in accordance with Article 167 of the *Solvency II Directive*;
- (3) for all other *third country branch undertakings*, the *branch SCR*.

2 ACCOUNTING RECORDS IN THE UK

- 2.1 A *third country branch undertaking* must maintain at a place of business in the *UK* all records relating to:
- (1) the activities carried on from its *third country branch*; and
 - (2) if it is a *UK-deposit insurer*, the activities carried out from all the *third country undertaking EEA branches* ~~[deleted.]~~

3 LOCALISATION AND DEPOSIT OF ASSETS

- 3.1 A *third country branch undertaking* (except a *UK-deposit insurer*, an *EEA-deposit insurer* and a *third country branch undertaking* that has a *third country pure reinsurance branch*) must hold in the UK assets required to cover the *branch SCR*, as follows:
- (1) in the *UK*, assets representing the *branch SCR* up to the amount of the *branch MCR*; and
 - (2) in any *EEA State*, assets representing the amount of the *branch SCR* in excess of the amount of the *branch MCR*
- 3.2 A *UK-deposit insurer* must hold assets required to cover the *EEA SCR* as follows:
- (1) in any of the *EEA States* where the *UK-deposit insurer* pursues its activities, assets representing the *EEA SCR* up to the amount of the *EEA MCR*; and
 - (2) in any *EEA State*, assets representing the amount of the *EEA SCR* in excess of the amount of the *EEA MCR* ~~[Deleted.]~~
- 3.3 A *third country branch undertaking* (except an *EEA-deposit insurer* and a *third country branch undertaking* that has a *third country pure reinsurance branch*) must hold on deposit as security in the *UK* with a *CRD credit institution* assets of an amount equal to at least one quarter of the absolute floor of the *MCR* set out in Minimum Capital Requirement 3.2.

4 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

- 4.1 A *third country branch undertaking* ~~(except a *UK-deposit insurer* and an *EEA-deposit insurer*)~~ must:
- (1) calculate a *branch SCR*; and
 - (2) cover the *branch SCR* with *eligible own funds*.
- 4.2 A *third country branch undertaking* ~~(except a *UK-deposit insurer* and an *EEA-deposit insurer*)~~ must:
- (1) calculate a *branch MCR*; and
 - (2) cover the *branch MCR* with *eligible own funds*.
- ...
- 4.4 A *UK-deposit insurer* must:

- (1) calculate an ~~EEA SCR~~; and
- (2) cover the ~~EEA SCR~~ with ~~eligible own funds~~ ~~[Deleted.]~~

4.5 A ~~UK deposit insurer~~ must:

- (1) calculate an ~~EEA MCR~~; and
- (2) cover the ~~EEA MCR~~ with ~~eligible own funds~~ ~~[Deleted.]~~

4.6 For the purposes of the calculations referred to in 4.4(1) and 4.5(1), the ~~UK deposit insurer~~ must take account only of the operations effected by the ~~third country branch~~ and all the ~~third country undertaking EEA branches~~ ~~[Deleted.]~~

...

6 TECHNICAL PROVISIONS AND OWN FUNDS

6.1 A ~~third country branch undertaking~~ (except a ~~UK deposit insurer~~ and an ~~EEA deposit insurer~~) must establish adequate ~~branch technical provisions~~.

6.2 A ~~UK deposit insurer~~ must establish adequate ~~EEA technical provisions~~. ~~[Deleted.]~~

6.3 A ~~third country branch undertaking~~ (except an ~~EEA deposit insurer~~) must value assets and liabilities in accordance with the Valuation Part of the PRA Rulebook for the purposes of establishing the ~~branch technical provisions~~ (or, in the case of a ~~UK deposit insurer~~, the ~~EEA technical provisions~~).

6.4 A ~~third country branch undertaking~~ (except an ~~EEA deposit insurer~~) must determine and classify its ~~third country branch undertaking own funds~~ for the purposes of complying with its ~~branch SCR~~ and ~~branch MCR~~ (or, in the case of a ~~UK deposit insurer~~, its ~~EEA SCR~~ and ~~EEA MCR~~) in accordance with the Own Funds Part of the PRA Rulebook as if it were a ~~UK Solvency II firm~~.

6.5 A ~~third country branch undertaking~~ (except an ~~EEA deposit insurer~~) must fulfil the requirements in Own Funds 5 for the purposes of complying with its ~~branch SCR~~ and ~~branch MCR~~ (or, in the case of a ~~UK deposit insurer~~, its ~~EEA SCR~~ and ~~EEA MCR~~) as if it were a ~~UK Solvency II firm~~.

7 CONDITIONS GOVERNING BUSINESS

...

- 7.2
- (1) A reference to “SCR” is to be interpreted as a reference to “~~third country branch — undertaking SCR~~” the ~~branch SCR~~.
 - (2) A reference to “MCR” is to be interpreted as a reference to:
 - (a) for a ~~UK deposit insurer~~, the ~~EEA MCR~~; ~~[deleted.]~~
 - (b) for an ~~EEA deposit insurer~~, its minimum capital requirement calculated in accordance with the relevant ~~Solvency II EEA implementing measures~~ in the ~~EEA State~~ that supervises the solvency of the entire business of the branches within the ~~EEA~~ in accordance with Article 167 of the ~~Solvency II Directive~~; ~~[deleted.]~~

- (c) ~~for all other *third country branch undertakings*, the *branch MCR*.~~
- (3) A reference to “*technical provisions*” is to be interpreted as a reference to:
 - (a) ~~for a *UK deposit insurer*, the *EEA technical provisions*; [deleted.]~~
 - (b) ~~for an *EEA deposit insurer*, its *technical provisions* calculated in accordance with the relevant *Solvency II EEA implementing measures* in the *EEA State* that supervises the solvency of the entire business of the branches within the *EEA* in accordance with Article 167 of the *Solvency II Directive* [deleted.]~~
 - (c) ~~for all other *third country branch undertakings*, the *branch technical provisions*.~~

...

- (5) A reference to “*internal model*” is to be interpreted as a reference to any *internal model* used by a *third country branch undertaking* to calculate the ~~*third country branch undertaking SCR*~~ *branch SCR*

7.3 A ~~*third country branch undertaking*~~ (except a ~~*UK deposit insurer*~~) must apply the requirements referred to in 7.1 taking account only of matters relevant to the operations effected by the *third country branch*.

7.4 A ~~*UK deposit insurer*~~ must apply the requirements referred to in 7.1 taking account only of matters relevant to the operations effected by the *third country branch* and all the ~~*third country undertaking EEA branches*~~. [Deleted.]

8 INVESTMENTS

8.1 A *third country branch undertaking* must fulfil the requirements laid down in the Investments Part of the *PRA Rulebook*, as modified by 8.2 ~~to~~ and 8.4~~8.3~~.

...

8.3 A ~~*third country branch undertaking*~~ (except a ~~*UK deposit insurer*~~) must fulfil the requirements in the Investments Part of the *PRA Rulebook* taking account only of the operations effected by the *third country branch*.

8.4 A ~~*UK deposit insurer*~~ must fulfil the requirements in the Investments Part of the *PRA Rulebook* taking account only of the operations effected by the *third country branch* and all the ~~*third country undertaking EEA branches*~~. [Deleted.]

9 REPORTING

9.1 A ~~*third country branch undertaking*~~ must fulfil the requirements laid down in Reporting 2.1 to 2.5 as modified 9.2 ~~and~~ 9.3.

9.2 A ~~*third country branch undertaking*~~ (except a ~~*UK deposit insurer*~~) must fulfil the requirements referred to in 9.1 taking account only of matters relevant to the operations effected by the *third country branch*.

9.3 A ~~*UK deposit insurer*~~ must fulfil the requirements referred to in 9.1 taking account only of matters relevant to the operations effected by the *third country branch* and all the ~~*third country undertaking EEA branches*~~. [Deleted.]

10 THIRD COUNTRY BRANCH UNDERTAKINGS IN DIFFICULTY

- 10.1 A *third country branch undertaking* (~~except an EEA deposit insurer~~) must fulfil the requirements laid down in Undertakings in Difficulty 2 to 5 as modified by 10.2.
- 10.2 (1) A reference to “SCR” is to be interpreted as a reference to the *branch SCR*, ~~or, for a UK deposit insurer, to the EEA SCR~~.
- (2) A reference to “MCR” is to be interpreted as a reference to the *branch MCR*, ~~or, for a UK deposit insurer, to the EEA MCR~~.
- (3) A reference to “technical provisions” is to be interpreted as a reference to the *branch technical provisions* ~~or, for a UK deposit insurer, to the EEA technical provisions~~.

11 SEPERATION OF LONG-TERM BUSINESS AND GENERAL BUSINESS

- 11.1
- (2) ~~Composites 3 and 4 do not apply to EEA deposit insurers. [deleted.]~~
- 11.2 (1) The requirements referred to in 11.1 must be fulfilled taking account only of the operations effected by the *third country branch*, ~~and, in the case of a UK deposit insurer, the operations effected by the third country branch and all the third country undertaking EEA branches~~.
- (2) The reference to “SCR” in Composites 4.6 is to be interpreted as a reference to the *branch SCR*, ~~and, for a UK deposit insurer, the EEA SCR~~.
- (3) The *notional life MCR*, *notional non-life MCR*, the *notional life SCR* and *notional non-life SCR* referred to in the Composites Part of the PRA Rulebook shall be calculated taking account only of the operations effected by the *third country branch* ~~and, in the case of a UK deposit insurer, the operations effected by the third country branch and all the third country undertaking EEA branches~~.

15 SOLVENCY II REGULATIONS

- ...
- 15.2 In complying with requirements imposed on it in the Solvency II Firms Sector of the PRA Rulebook, a *third country branch undertaking* must ensure that any provisions of the *Solvency II Regulations* relevant to the *third country branch* ~~or, for a UK deposit insurer, all the third country undertaking EEA branches~~, is applied in order to achieve the same effect as that provision of the *Solvency II Regulations* would have (that is, complying with the requirements of the relevant provision) when applied to a *UK Solvency II firm*.

Annex BW

Amendments to the Transitional Measures Part

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

...

3 REPORTING TO THE PRA AND PUBLIC DISCLOSURE

...

3.4 Where *Group Supervision 2.1(1) or (2)* applies, the submission under *Group Supervision 17.3* of the group regular supervisory report and annual quantitative templates required to be submitted in accordance with the *Solvency II Regulations* must be made by no later than:

- (1) 26 weeks after the financial year end of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm, ultimate *insurance holding company* or ultimate *mixed financial holding company* in relation to its financial year ending on or after 30 June 2016 but before 1 January 2017;
- (2) 24 weeks after the financial year end of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm, ultimate *insurance holding company* or ultimate *mixed financial holding company* in relation to its financial year ending on or after 1 January 2017 but before 1 January 2018;
- (3) 22 weeks after the financial year end of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm, ultimate *insurance holding company* or ultimate *mixed financial holding company* in relation to its financial year ending on or after 1 January 2018 but before 1 January 2019;
- (4) 20 weeks after the financial year end of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm, ultimate *insurance holding company* or ultimate *mixed financial holding company* in relation to its financial year ending on or after 1 January 2019 but before 1 January 2020.

3.5 A ~~participating Solvency II undertaking~~ participating UK Solvency II firm ~~that is a firm~~ or, if there are none, the *relevant insurance group undertakings* must disclose the solvency and financial condition at the level of the *group* under *Group Supervision 18.1* by no later than:

- (1) 26 weeks after the financial year end of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm, ultimate *insurance holding company* or ultimate *mixed financial holding company* in relation to its financial year ending on or after 30 June 2016 but before 1 January 2017;
 - (2) 24 weeks after the financial year end of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm, ultimate *insurance holding company* or ultimate *mixed financial holding company* in relation to its financial year ending on or after 1 January 2017 but before 1 January 2018;
 - (3) 22 weeks after the financial year end of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm, ultimate *insurance holding company* or ultimate *mixed financial holding company* in relation to its financial year ending on or after 1 January 2018 but before 1 January 2019;
-

- (4) 20 weeks after the financial year end of the ~~participating Solvency II undertaking~~ participating UK Solvency II firm, ultimate *insurance holding company* or ultimate *mixed financial holding company* in relation to its financial year ending on or after 1 January 2019 but before 1 January 2020.

5 STANDARD FORMULA: THE BASIC SCR

- 5.1 Notwithstanding Solvency Capital Requirement – General Provisions 2, 3.1, 3.3, 3.4 and Solvency Capital Requirement – Standard Formula 3.1 to 3.3, the standard parameters to be used when calculating the *market risk* concentrations sub-module and the spread risk sub-module in accordance with the *standard formula* must be adjusted as follows:

...

- (3) from 1 January 2019 until *exit day*, the standard parameters must be reduced by 50% in relation to exposures to *EEA States*' central governments or central banks denominated and funded in the domestic currency of any other *EEA State*;
- (4) ~~from 1 January 2020 and onwards, the standard parameters must not be reduced in relation to exposures to *EEA States*' central governments or central banks denominated and funded in the domestic currency of any other *EEA State*.~~[deleted.]

...

8 GROUPS – INTERNAL MODELS

- 8.1 Notwithstanding Group Supervision 11.2, until 31 March 2022, the *group SCR* of a *group* based on consolidated data (consolidated *group SCR*) must be calculated on the basis of either:

...

- (3) approved *internal models*, where each approved *internal model* is applicable to a part of a *group* where both the ~~Solvency II undertaking~~ UK Solvency II firm and the ultimate *parent undertaking* are located in the ~~same EEA State~~ UK and that part of the *group* forms a distinct part having a significantly different risk profile from the rest of the *group*.

...

9 GROUPS

...

- 9.2 Where *Group Supervision* 2.1(1) or (2) applies, if a ~~participating Solvency II undertaking~~ participating UK Solvency II firm ~~that is a firm~~ or any *relevant insurance group undertaking* complies with the *pre-Solvency II GCRR* but during 2016 does not comply with the *group SCR*:

...

...

13 REPORT ON FINANCIAL AND SOLVENCY CONDITIONS

13.1 This Chapter applies to a disclosure of the *SFCR* by a *firm* or, as may be applicable, the report on solvency and financial condition at the level of the *group* by ~~participating Solvency II undertakings~~ participating UK Solvency II firms or the *relevant insurance group undertakings* within the *group*, made in relation to the first two relevant financial years starting on or after the *Solvency II implementation date*.

13.2 In the disclosure required by Reporting 3.1, a firm may, unless required under other legal or regulatory requirements (including any ~~Solvency II EEA implementing measure~~), opt not to disclose the following separately when disclosing the amount of the *MCR* and *SCR* under Reporting 3.6:

...

13.3 In the disclosure required by Reporting 3.1 as applied to a *group* by Group Supervision 18.1, the ~~participating Solvency II undertakings~~ participating UK Solvency II firms ~~that are firms~~ or, if there are none, the *relevant insurance group undertakings* may, unless required under other legal or regulatory requirements (including any ~~Solvency II EEA implementing measure~~), opt not to disclose the following separately when disclosing the amount of the *group SCR* under Reporting 3.6:

...

Annex BX

Amendments to the Undertakings in Difficulty Part

In this Annex new text is underlined.

...

3 NON-COMPLIANCE WITH THE SCR

...

3.2 If the *PRA* has extended the period referred to in 3.1(3), by reason of the declaration

(1) before *exit day* by *EIOPA*, or

(2) on or after *exit day* by the *PRA* pursuant to regulation 4A of the *Solvency 2 Regulations*.

of *exceptional adverse situations* affecting the *firm*, the *firm* must submit a progress report to the *PRA* every three *months* setting out the measures taken and the progress made to re-establish the level of *eligible own funds* covering the *SCR* or to reduce its risk profile to ensure compliance with the *SCR*.

...

PRA RULEBOOK: EU EXIT (AMENDMENT) INSTRUMENT 2019**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) being the appropriate regulator within the meaning of the Financial Regulators’ Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (“the Regulations”), having carried out consultations pursuant to regulation 5 of the Regulations and with the approval of the Treasury to the following instrument, makes the instrument in exercise of the powers conferred by regulation 3 of the Regulations.

Pre-conditions to making

- B. A draft of this instrument has been approved by the Treasury, having been satisfied that it makes appropriate provision to prevent, remedy or mitigate any failure of retained EU law to operate effectively, or any other deficiency in retained EU law, arising from the withdrawal of the United Kingdom from the European Union.

PRA Rulebook: EU EXIT (AMENDMENT) INSTRUMENT 2019

- C. Annex BF to The PRA Rulebook: (EU Exit) Instrument 2019 does not come into force on 1 July 2019 but instead comes into force on exit day.

Commencement

- D. This instrument comes into force on 13 June 2019.

Citation

- E. This instrument may be cited as the PRA Rulebook: EU Exit (Amendment) Instrument 2019.

By order of the Prudential Regulation Committee

11 June 2019

PRA RULEBOOK: PRA PERIODIC FEES (2019/20) AND OTHER FEES INSTRUMENT 2019

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);
 - (2) section 137T (General supplementary powers);
 - (3) section 166 (Reports by skilled persons) and
 - (4) paragraph 31 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZB (The Prudential Regulation Authority) of the Act.
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) 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 the proposed rules and had regard to representations made.

PRA Rulebook: PRA Periodic Fees (2019/20) and Other Fees Instrument 2019

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

Commencement

- E. This instrument comes into force on 1 July 2019.

Citation

- F. This instrument may be cited as the PRA Rulebook: PRA Periodic Fees (2019/20) and Other Fees Instrument 2019.

By order of the Prudential Regulation Committee

11 June 2019

Annex

Amendments to the Fees Part

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated:

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

~~international financial reporting standards or IFRS~~

~~means the international accounting standards issued by the International Accounting Standards Board, whether as adopted in the EU under Regulation 1606/2002 or otherwise.~~

...

ring-fencing fees group

means a banking group, or part of a banking group, which ~~(i) has submitted forecasts to the PRA indicating that, from 1 January 2019, it will~~ does not meet the *core deposit* level condition in Article 12 of the *FSMA (Ring-fenced Bodies and Core Activities) Order 2014* and ~~(ii) has been notified by the PRA between 1 May 2017 and 1 May 2018 that a fee relating to the implementation of ring-fencing will be payable by one or more members of its group~~ does not fall within the exemptions set out in Article 11 of the *FSMA (Ring-fenced Bodies and Core Activities) Order 2014*.

...

ring-fencing

means the *UK ring-fencing* regime as provided for in the Financial Services (Banking Reform) Act 2013, including statutory instruments and *PRA* rules ~~made or to be made~~ pursuant thereto.

~~*ring-fencing implementation fee(s)*~~

~~means the fee or fees in 3.18.~~

ring-fencing fee(s)

means the fee or fees in 3.18A.

...

Society of Lloyd's fee block

means the *fee block* of which the *Society* is ~~the sole member~~ and its subsidiaries are members.

...

3 PERIODIC FEES

...

3.2 The amount payable depends upon the *fee block* to which the *firm* has been allocated. *Firms* falling into more than one *fee block* pay *periodic fees* in relation to each, other than *firms* falling within the A6 *Society of Lloyd's fee block* and any other *fee block*, which pay *periodic fees* in relation to the A6 *fee block* only.

3.3 *Periodic fees* payable by *firms* in any *fee year* will be the sum of the following (so far as applicable to them):

...

(5) the ~~*ring-fencing implementation fee*~~ *ring-fencing fee*; and

...

3.4 The *tariff bases* and *valuation points* referred to in 3.3 (3)(a) are:

...

(2) for *firms* in the *general insurance fee block* (A3) the *firm's gross written premium for fees purposes* and its *best estimate liabilities for fees purposes* for the *firm's* financial year which ends in the calendar year to 31 December prior to commencement of the *fee year*, unless the *firm* is a *UK ISPV*, in which case the *tariff base* is not relevant and a flat fee shown in Table IIIA of the *Periodic Fees Schedule* is payable, noting that:

(a) this *tariff base* (A3) does not include *gross written premium for fees purposes* and *best estimate liabilities for fees purposes* on which a *composite firm* reports data relevant for the *life insurance fee block* (A4).

(b) where any figure used in the calculation of this *tariff base* (A3) is a negative number, it shall instead be deemed to be zero.

(c) in the calculation of the *periodic fee* due under 3.3(3) for this *fee block* (A3), the following weightings shall apply:

(i) 90% of the *periodic fee* shall be determined from *gross written premium for fees purposes*; and

(ii) 10% of the *periodic fee* shall be determined from *best estimate liabilities for fees purposes*.

(3) for *firms* in the *life insurance fee block* (A4):

(a) for *UK Solvency II firms*, including *composite firms* which are also *UK Solvency II firms* to the extent that they are required to report data used for this *tariff base (A4)*, the *firm's gross written premium for fees purposes* and its *best estimate liabilities for fees purposes*, for the *firm's financial year* which ends in the calendar year to 31 December prior to commencement of the *fee year*;

(b) for *non-directive firms*, including *non-directive firms* which are also *composite firms* to the extent that they come within the *life insurance fee block*, the *tariff base* is not relevant to the level of fees due and only the minimum fee as specified in Table IA of the Periodic Fees Schedule is payable.

(c) Where any figure used in the calculation of this *tariff base (A4)* is a negative number, it shall instead be deemed to be zero.

(d) in the calculation of the *periodic fee* due under 3.3(3) for this *fee block (A4)*, the following weightings shall apply:

(i) 60% of the *periodic fee* shall be determined from *gross written premium for fees purposes*; and

(ii) 40% of the *periodic fee* shall be determined from *best estimate liabilities for fees purposes*.

...

(5) for *firms in the designated firms dealing as principal fee block (A10)*, *total assets for fees purposes* as at 31 December preceding commencement of the *fee year* and the *firm's total operating income for fees purposes* for the four quarters ending on or before 31 December preceding commencement of the *fee year*. In the calculation of the *periodic fee* due under 3.3(3) for this *fee block (A10)*, the following weightings shall apply:

(a) 50% of the *periodic fee* shall be determined from *total assets for fees purposes*; and

(b) 50% of the *periodic fee* shall be determined from *total operating income for fees purposes*.

...

Ring-fencing implementation fee

3.18 ~~In the *fee year* commencing on 1 March 2017 and subsequent *fee years*: [deleted]~~

~~(1) The *PRA* will charge a *ring-fencing implementation fee* to recover the annual cost to the *PRA*, as determined by the *PRA*, of implementing *ring-fencing*~~

~~(2) All *firms* within *ring-fencing fees groups* are subject to *ring-fencing implementation fees*. The *PRA* may require that a single *firm* pays all *ring-fencing implementation fees* due to the *PRA* by the group.~~

(3) In each *fee year* the *PRA* will allocate to each *ring-fencing fees group* the proportion referred to in 3.18 (4) of the cost referred to in 3.18 (1). An amount reflecting this proportion will be the total fee payable by the group.

(4) The proportion referred to in 3.18 (3) was determined by the *PRA* for the 2018/19 *fee year* in accordance with the following formula (all figures rounded to the nearest whole number):

$[(X + Y) \div 2] \%$ where

$X = [\text{core deposits (ring-fencing fees group)} \div \text{core deposits (all ring-fencing fees groups)}] \times 100$

and

$Y = [\text{assets outside expected RFB sub-group (ring-fencing fees group)} \div \text{assets outside expected RFB sub-groups (all ring-fencing fees groups)}] \times 100$

(5) *Fee payers* must comply with directions from the *PRA* or its *collection agent* as to payment of *ring-fencing implementation fees* arising from any variance between the *PRA's* budgeted costs under 3.18 (1) and its actual costs once final, audited figures are available in relation to any *fee year*. A surplus of fee income against the *PRA's* actual costs may result in a credit to the *firms* making payment and a shortfall may necessitate a call for additional fees.

(6) Where an *application* for a new authorisation or variation of *Part 4A permission* is made in the context of *ring-fencing*, no *regulatory transaction fee* will be payable under 4.5 or 4.7 if a *ring-fencing implementation fee* is payable under 3.18 whether by the applicant or another *fee payer*.

Ring-fencing fee

3.18A (1) The *PRA* will charge a *ring-fencing fee* to recover the annual cost to the *PRA*, as determined by the *PRA*, of fulfilling its functions in relation to *ring-fencing*.

(2) All *firms* within *ring-fencing fees groups* are subject to *ring-fencing fees*, based on the total *modified eligible liabilities* of the *ring-fenced bodies* within the *group*, and payable in accordance with Table IX of the *Periodic Fees Schedule*. The *PRA* may require that a single *firm* pays all *ring-fencing fees* due to the *PRA* by the *group*.

(3) *Fee payers* must comply with directions from the *PRA* or its *collection agent* as to payment of *ring-fencing fees* arising from any variance between the *PRA's* budgeted costs under 3.18A (1) and its actual costs once final, audited figures are available in relation to any *fee year*. A surplus of fee income against the *PRA's* actual costs may result in a credit to the *firms* making payment and a shortfall may necessitate a call for additional fees.

...

PERIODIC FEES SCHEDULE – FEE RATES AND EEA/TREATY FIRM MODIFICATIONS FOR THE PERIOD FROM ~~1 MARCH 2018 TO 28 FEBRUARY 2019~~ 1 MARCH 2019 TO 29 FEBRUARY 2020

...

TABLE IIIA – PERIODIC FEE RATES APPLICABLE TO PRA FEE BLOCKS OTHER THAN THE MINIMUM FEE BLOCK FOR THE FEE YEAR 2018-19 2019-20

Column 1 <i>Fee block</i>	Column 2 <i>Tariff base</i>	Column 3 <i>Tariff bands</i>	Column 4 <i>Tariff rates</i>	
A1 deposit acceptors fee block	modified eligible liabilities	Band width (£million of <i>MELs</i>)	Fee payable per million or part million of <i>MELs</i> (£)	
		>10 - 140	31.87 <u>31.50</u>	
		>140 - 630	31.87 <u>31.50</u>	
		>630 - 1,580	31.87 <u>31.50</u>	
		>1,580 - 13,400	39.84 <u>39.38</u>	
		>13,400	62.59 <u>51.98</u>	
A3 general insurers fee block	gross written premium for fees purposes	Band width (£million of <i>gross written premium for fees purposes</i>)	Fee payable per million of <i>gross written premium for fees purposes</i> (£)	
		>0.5	494.81 <u>546.05</u>	
	gross written premium for fees purposes + best estimate liabilities for fees purposes	best estimate liabilities for fees purposes	Band Width (£ million of <i>best estimate liabilities for fees purposes</i>)	Fee payable per million of <i>best estimate liabilities for fees purposes</i> (£)
			>1	29.07 <u>34.26</u>
			For UK ISPVs the <i>tariff rates</i> are not relevant and a flat fee of £430.00 is payable in respect of each <i>fee year</i> .	
	A4 Life insurers fee block	gross written premium for fees purposes	Band width (£million of <i>gross written premium for fees purposes</i>)	Fee payable per million of <i>gross written premium for fees purposes</i> (£)
>1			255.17 <u>229.96</u>	
gross written premium for fees purposes + best estimate liabilities for fees purposes		best estimate liabilities for fees purposes	Band width (£million of <i>best estimate liabilities for fees purposes</i>)	Fee payable per million of <i>best estimate liabilities for fees purposes</i> (£)
			>1	7.86 <u>16.11</u>
A5 managing agents at Lloyd's	active capacity	Band width (£million of <i>active capacity</i>)	Fee payable per million of <i>active capacity</i> (£)	
		>50	46.24 <u>49.57</u>	

A6 Society of Lloyd's	flat fee	N/A	General periodic fee (£) 1,748,266.95-1,802,787.50
A10 Firms dealing as principal fee block <i>Trading assetstotal assets for fees purposes, + financial and operating incometotal operating income for fees purposes</i>	<i>trading assets-total assets for fees purposes</i>	Band width (£million of <i>trading-assetstotal assets for fees purposes</i>)	Fee payable per million or part million of <i>trading assets total assets for fees purposes</i> (£)
		N/A	2.63 <u>2.30</u>
	<i>financial and operating incometotal operating income for fees purposes</i>	Band width (£million of <i>financial and operating income total operating income for fees purposes</i>)	Fee payable per million or part million of <i>financial and operating income total operating income for fees purposes</i> (£)
	N/A		201.46 <u>307.05</u>

...

TABLE VI – EU WITHDRAWAL COSTS ALLOCATION

<i>Fee payer</i>	<i>Tariff base for allocations to firms</i>
All firms, except those paying only the minimum fee and <i>insurance special purpose vehicles</i>	Total <i>periodic fees</i> under 3.3(3), excluding minimum fees , payable by the <i>firm</i> multiplied by 0.03540 <u>0.057857</u>

...

TABLE IX – RING-FENCING FEE

<i>Fee payer</i>	<i>Tariff base for allocations to firms</i>
All firms within <i>ring-fencing fees groups</i>	Total <i>periodic fees</i> under 3.3(3) payable by the <i>ring-fenced bodies</i> within the <i>ring-fencing fees group</i> , multiplied by 0.093379

...

4 REGULATORY TRANSACTION FEES

...

Skilled persons

...

4.17 The *due date for payment by the firm* ~~will be within~~ is 30 days of from the date of each invoice from the PRA to the firm.

...

5 SPECIAL PROJECT FEE FOR RESTRUCTURING

...

Due date for payment and ongoing obligation in relation to *SPFs*

5.8 The *due date for payment* of an *SPF* for restructuring is 30 days from the date of ~~the~~ each invoice from the PRA to the firm.

...

**PRA RULEBOOK: CRR FIRMS: LIQUIDITY REGULATORY REPORTING (AMENDMENT) (NO. 2)
INSTRUMENT 2019**

Powers exercised

- A. The Prudential Regulation Authority (the “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);
 - (2) section 137T (General supplementary powers); and
 - (3) section 142H (Ring-fencing rules).
- 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 (Consultation by the PRA) of the Act, the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of the proposed rules and had regard to representations made.

PRA Rulebook: CRR Firms: Liquidity Regulatory Reporting (Amendment) (No. 2) Instrument 2019

- D. The PRA makes the rules in Annexes A and B.

Part	Annex
Regulatory Reporting	A
Regulatory Reporting	B

Commencement of this instrument

- E. Annex A comes into force on 1 July 2019.
- F. Annex B comes into force on 1 January 2020.

Citation

- G. This instrument may be cited as PRA Rulebook: CRR Firms: Liquidity Regulatory Reporting (Amendment) (No. 2) Instrument 2019.

By order of the Prudential Regulation Committee

11 June 2019

Annex A

Amendments to the Regulatory Reporting Part

In this Annex new text is underlined and deleted text is struck through. This Annex amends the Regulatory Reporting Part as at 1 July 2019.

7 Regulated Activity Group 1

7.1 The applicable *data items* referred to in the table in 6.1 are set out according to *firm* type in the table below:

RAG 1	Prudential category of <i>firm</i> , applicable <i>data items</i> and reporting format (1)						
	<i>UK bank other than a ring-fenced body</i>	<i>Ring-fenced body</i>	<i>Building society</i>	<i>Non-EEA bank</i>	<i>EEA bank that has permission to accept deposits and that has its registered office (or, if it has no registered office, its head office) outside the EU</i>	[deleted.]	[deleted.]
Description of <i>data item</i>							
...							
Daily Flows	FSA047 ((13), (16) and (18))	FSA047 ((13), (16) and (18))	FSA047 ((13), (16) and (18))	-	[deleted] FSA047 ((13), (15), (16) and (18))	-	-
Enhanced Mismatch Report	FSA048 ((13), (16) and (18))	FSA048 ((13), (16) and (18))	FSA048 ((13), (16) and (18))	-	[deleted] FSA048 ((13), (15), (16) and (18))	-	-
...							
Cash Flow Mismatch	PRA110 (35) (36) (37)	PRA110 (28) (35) (36) (37)	PRA110 (35) (36) (37)	-	[deleted] PRA110 (35) (36) (37)	-	-
...							

...

- (36) Unless otherwise stated in the relevant modification, any changes to reporting requirements caused by a *firm* receiving a *domestic liquidity sub-group* permission do not take effect until the first day of the next reporting period applicable under the changed reporting requirements for the *data item* in question if the *firm* receives that permission part of the way through such a period. If the change is that the *firm* does not have to report a particular *data item* or does not

have to report it at a particular *reporting level*, the *firm* must nevertheless report that *data item* or at that *reporting level* for any reporting period that has already begun.

...

- 7.2 The applicable reporting frequencies for submission of *data items* and periods referred to in 7.1 are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

RAG 1				
<i>Data item</i>	UK banks and building societies (on an unconsolidated or individual consolidated basis) (9)	[deleted.]	UK banks and building societies (on a UK consolidation group, defined liquidity group, domestic liquidity sub-group or sub-consolidation group basis, as applicable)	Other members of RAG 1
...				
FSA047	Daily, weekly, monthly or quarterly ((2), (3), (6) and (12))		Daily, weekly, monthly or quarterly ((2), (5), (6) and (12))	[deleted] Daily, weekly, monthly or quarterly ((2), (4), (6) and (12))
FSA048	Daily, weekly, monthly or quarterly ((2), (3), (6) and (12))		Daily, weekly, monthly or quarterly ((2), (5), (6) and (12))	[deleted] Daily, weekly, monthly or quarterly ((2), (4), (6) and (12))
...				
PRA110	Daily, weekly or monthly (2) (13) (14)	-	Daily, weekly or monthly (2) (13) (14)	[deleted] Daily, weekly or monthly (2) (13) (14)
...				

...

- (4) [deleted](a) If the report is on an individual basis (and the *firm* is not a *UK firm*) the reporting frequency is as follows:
 (i) weekly if the *firm* is a *standard frequency liquidity reporting firm*; and
 (ii) monthly if the *firm* is a *low frequency liquidity reporting firm*.
 (b)–

...

- 7.3 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 7.2, unless indicated otherwise.

RAG 1						
Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
FSA047	22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	15 <i>business days</i>	15 <i>business days</i> or one <i>month</i> (5)	-	-
FSA048	22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	15 <i>business days</i>	15 <i>business days</i> or one <i>month</i> (5)	-	-
...						
PRA110	22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	22.00 hours (London time) on the <u>2nd <i>business day</i></u> 2 <i>business days</i> from 1 July 2019 to 31 October 2019 where 7.2(14)(a) applies. In all other cases, 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	15 <i>business days</i>	-	-	-
...						

...

9 REGULATED ACTIVITY GROUP 3

...

9.2 ...

...

- (20) Unless otherwise stated in the relevant modification, any changes to reporting requirements caused by a *firm* receiving a *domestic liquidity sub-group* permission do not take effect until the first day of the next reporting period applicable under the changed reporting requirements for the *data item* in question if the *firm* receives that permission part of the way through such a period. If the change is that the *firm* does not have to report a particular *data item* or does not have to report it at a particular *reporting level*, the *firm* must nevertheless report that *data item* or at that *reporting level* for any reporting period that has already begun.

...

9.3 ...

...

- (9) Reporting frequencies and reporting periods for this *data item* are calculated on a calendar year basis and not from a *firm's accounting reference date*. In particular:
- (a) A week means the period beginning on Saturday and ending on Friday.
 - (b) A month begins on the first day of the calendar month and ends on the last day of that month.
 - (c) Quarters end on 31 March, 30 June, 30 September and 31 December.
 - (d) Daily means each *business day*.

All periods are calculated by reference to London time.

Any changes to reporting requirements caused by a *firm* receiving a *domestic liquidity sub-group* permission do not take effect until the first day of the next reporting period applicable under the changed reporting requirements if the *firm* receives that permission part of the way through such a period. If the change is that the *firm* does not have to report a particular *data item* or does not have to report it at a particular *reporting level*, the *firm* must nevertheless report that *data item* or at that *reporting level* for any reporting period that has already begun.

...

- (11) The reporting frequency is as follows:

...

(b) monthly if the *firm* has *total assets*, calculated in accordance with Council Directive 86/635/EEC, of less than EUR 30 billion on both an individual basis and *UK consolidation group* basis. This requirements stops applying if during any monthly reporting period the *total assets* of the *firm*, on either an individual basis or *UK consolidation group* basis, become equal to or greater than EUR 30 billion, in which case the *firm* is required to start reporting this *data item* weekly after the end of that reporting period.

- 9.4 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 9.3, unless indicated otherwise.

RAG 3						
Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
PRA110	22.00 hours (London time) on the <i>business</i>	22.00 hours (London time) on the 2nd <i>business day-2</i>	15 <i>business</i>			

	day immediately following the last day of the reporting period for the item in question	business days from 1 July 2019 to 31 October 2019 where 9.3(11)(a) applies. In all other cases, 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	days			
--	---	---	------	--	--	--

...

Annex B

Amendments to the Regulatory Reporting Part

In this Annex new text is underlined and deleted text is struck through. This Annex amends the Regulatory Reporting Part as at 1 January 2020.

1 APPLICATION AND DEFINITIONS

...

1.3 Unless otherwise defined, any italicised expression used in this Part:

(1) ~~listed in Annex 1 (Liquidity definitions) to this Part has the meaning specified in the PRA Handbook as in effect on 30 September 2015; and~~
 (2) in the *CRR*; has the same meaning as in the *CRR*.

...

7 Regulated Activity Group 1

7.2 The applicable reporting frequencies for submission of *data items* and periods referred to in 7.1 are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

RAG 1				
<i>Data item</i>	<i>UK banks and building societies (on an unconsolidated or individual consolidated basis) (9)</i>	[deleted.]	<i>UK banks and building societies (on a UK consolidation group, defined liquidity group, domestic liquidity sub-group or sub-consolidation group basis, as applicable)</i>	Other members of RAG 1
...				

7.3 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 7.2, unless indicated otherwise.

RAG 1						
<i>Data item</i>	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
PRA110	22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	22.00 hours (London time) on the 2nd <i>business day</i> 22.00 hours (London time) on the <i>business day</i> immediately following the last day of	15 <i>business days</i>	-	-	-

		the reporting period for the item in question				
...						

...

9 REGULATED ACTIVITY GROUP 3

...

9.4 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 9.3, unless indicated otherwise.

RAG 3						
Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
PRA110	22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	22.00 hours (London time) on the 2nd <i>business day</i> 22.00 hours (London time) on the <i>business day</i> immediately following the last day of the reporting period for the item in question	15 <i>business days</i>			

...

16 DATA ITEMS AND OTHER FORMS

...

16.44 PRA110 can be found [here](#) here.

...

PRA RULEBOOK: CRR FIRMS: RESOLUTION ASSESSMENT INSTRUMENT 2019

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: Resolution Assessment Instrument 2019

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

Commencement

- E. This instrument comes into force on 1 August 2019.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Resolution Assessment Instrument 2019.

By order of the Prudential Regulation Committee

11 July 2019

Annex

In this Annex, the text is all new and is not underlined.

Part

RESOLUTION ASSESSMENT

Chapter content

- 1. APPLICATION AND DEFINITIONS**
- 2. ASSESSMENT**
- 3. REPORT**
- 4. DISCLOSURE**

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to a *firm* that is a *UK bank* or *building society* that, on the *firm's* last *accounting reference date*, had *retail deposits* equal to or greater than £50 billion on:

- (1) an individual basis;
- (2) if the *firm* is a *parent institution in a Member State*, the basis of its *consolidated situation*; or
- (3) if the *firm* is controlled by a *parent financial holding company in a Member State* or by a *parent mixed financial holding company in a Member State* and the *PRA* is responsible for supervision of that holding company on a *consolidated basis* under Article 111 of the *CRD*, the basis of the *consolidated situation* of that holding company.

1.2 In this Part, the following definitions shall apply:

deposit

has the meaning given in 30, Part 1, Annex V (Reporting on financial information) of the European Banking Authority's Implementing Technical Standards amending the Commission's Implementing Regulation (EU) No 680/2014 on supervisory reporting under Regulation (EU) No 575/2013 of the European Parliament and of the Council.

retail deposit

means *deposits* from "households" as defined in 35(f), Part 1, Annex V (Reporting on financial information) of the European Banking Authority's Implementing Technical Standards amending the Commission's Implementing Regulation (EU) No 680/2014 on supervisory reporting under Regulation (EU) No 575/2013 of the European Parliament and of the Council.

1.3 Unless the contrary intention appears, all words and expressions used in this Part and in the *CRR* shall have the same meaning as in the *CRR*.

2 ASSESSMENT

2.1 A *firm* must carry out an adequate assessment of its preparations for resolution.

2.2 The assessment in 2.1 must:

- (1) be realistic;
- (2) include analysis of how the *firm* understands it would be resolved, any risks to its resolution and steps the *firm* is taking or plans to take to remove or reduce those risks; and
- (3) be reviewed by the *firm* if there is reason to suspect it is no longer accurate and updated if there has been a change in any of the matters to which it relates that impacts its assessment.

3 REPORT

3.1 A *firm* must submit to the *PRA* a report in writing of the assessment in 2.1 by:

- (1) the first Friday in October 2020; and
- (2) biennially thereafter, by the first Friday in October of the relevant calendar year.

3.2 A *firm* must submit to the *PRA* an updated version of the report in 3.1 within twenty *working days* of a change in the assessment carried out under Chapter 2.

4 DISCLOSURE

4.1 A *firm* must publish by the following dates a summary of the most recent report submitted to the *PRA* under Chapter 3:

- (1) the second Friday in June 2021; and
- (2) the second Friday in June of each calendar year following the year in which a *firm* is required to submit a report under 3.1(2).

Externally defined term

<i>Term</i>	<i>Definition source</i>
parent institution in a Member State	Article 4(1)(28) CRR
parent financial holding company in a Member State	Point 26 Article 3(1) CRD
parent mixed financial holding company in a Member State	Article 4(1)(32) CRR
consolidated basis	Article 4(1)(48) CRR
consolidated situation	Article 4(1)(47) CRR

PRA RULEBOOK: CRR FIRMS: REGULATORY REPORTING (RING FENCE BODIES, CAPITAL + AND FINREP) AMENDMENT INSTRUMENT 2019

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);
 - (2) section 137T (General supplementary powers); and
 - (3) section 142H (Ring-fencing rules).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) 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: REGULATORY REPORTING (RING FENCE BODIES, CAPITAL + AND FINREP) AMENDMENT INSTRUMENT 2019

- D. The PRA makes the rules in the Annexes A and B.

Part	Annex
Regulatory Reporting	A
Regulatory Reporting	B

Commencement

- E. Annex A comes into force on 1 March 2020.
- F. Annex B comes into force on 1 June 2020.

Citation

- G. This instrument may be cited as the PRA Rulebook: CRR Firms: Regulatory Reporting (Ring Fence Bodies, Capital + and FINREP) Amendment Instrument 2019.

**By order of the Prudential Regulation Committee
2 August 2019**

Annex A

Amendments to the Regulatory Reporting Part

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

16 Data Items and Other Forms

...

16.26 PRA101 can be found here. ~~here.~~

16.27 PRA102 can be found here. ~~here.~~

16.28 PRA103 can be found here. ~~here.~~

...

Annex B

Amendments to the Regulatory Reporting Part

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

...

6 Regulated Activity Groups

6.1 Unless otherwise indicated, *firms* must comply with the rules specified in the following table (which set out the *data items*, frequency and submission periods as applicable to each *RAG*) in accordance with Chapters 2, 3 and 4.

(1)	(2)	(3)	(4)	
RAG number	Regulated Activities	Rules containing:	reporting frequency / period	due date
		applicable <i>data items</i>		
RAG 1	<ul style="list-style-type: none"> • <i>accepting deposits</i> • <i>meeting of repayment claims</i> • <i>[deleted]</i> 	7.1, except that the requirements to: (1) submit templates 1.1, 1.2, 1.3, 2, 3, 4.3.1, 4.4.1, 5.1, 7.1, 9.1.1, 12.1, 12.2, 13.1, 18, 19, 20.4, and 20.7 , <u>23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 24.1, 24.2, 24.3, 25.1, 25.2, 25.3, 26 and 47</u> of Annexes III or IV of the <i>Supervisory Reporting ITS</i> on a <i>consolidated basis</i> and, if applicable, on a <i>sub-consolidated basis</i> ; (2) submit PRA108 on a <i>consolidated basis</i> and, if applicable, on a <i>sub-consolidated basis</i> , do not apply to a <i>firm</i> which is required to report financial information under Article 99(2) of <i>CRR</i> .	7.2	7.3
...				

7 Regulated Activity Group 1

7.1 The applicable *data items* referred to in the table in 6.1 are set out according to *firm* type in the table below:

RAG 1	Prudential category of firm, applicable data items and reporting format (1)						
	<i>UK bank other than a ring-fenced body</i>	<i>Ring-fenced body</i>	<i>Building society</i>	<i>N o n- E E A b a n k</i>	<i>EEA bank that has permission to accept deposits and that has its registered office (or, if it has no registered office, its head office) outside the EU</i>	[deleted.]	[deleted.]
Description of <i>data item</i>							
...							
Geographical breakdown by residence of the counterparty of loans and advances other than held for trading to non-financial corporations by NACE codes	Either: (1) Templates 20.7.1 at Annex III of the Supervisory Reporting ITS; or (2) Templates 20.7.1 at Annex IV of the Supervisory Reporting ITS ((2), (21), (24), (26), (27))	Either: (1) Templates 20.7.1 at Annex III of the Supervisory Reporting ITS; or (2) Templates 20.7.1 at Annex IV of the Supervisory Reporting ITS ((2), (21), (23), (26),	Either: (1) Templates 20.7.1 at Annex III of the Supervisory Reporting ITS; or (2) Templates 20.7.1 at Annex IV of the Supervisory Reporting ITS ((2), (21), (24), (26), (27))	-	-	-	-

		(28), (33), (34))					
<u>Loans and advances - additional information</u>	<p><u>Either:</u></p> <p><u>(1) Templates 23.1, 23.2, 23.3, 23.4, 23.5 and 23.6 at Annex III of the <i>Supervisory Reporting ITS</i>; or</u></p> <p><u>(2) Templates 23.1, 23.2, 23.3, 23.4, 23.5 and 23.6 at Annex IV of the <i>Supervisory Reporting ITS</i></u></p> <p><u>((2), (21), (25), (27), (38), (39))</u></p>	<p><u>Either:</u></p> <p><u>(1) Templates 23.1, 23.2, 23.3, 23.4, 23.5 and 23.6 at Annex III of the <i>Supervisory Reporting ITS</i>; or</u></p> <p><u>(2) Templates 23.1, 23.2, 23.3, 23.4, 23.5 and 23.6 at Annex IV of the <i>Supervisory Reporting ITS</i></u></p> <p><u>((2), (21), (28), (33), (34), (38), (40), (41))</u></p>	<p><u>Either:</u></p> <p><u>(1) Templates 23.1, 23.2, 23.3, 23.4, 23.5 and 23.6 at Annex III of the <i>Supervisory Reporting ITS</i>; or</u></p> <p><u>(2) Templates 23.1, 23.2, 23.3, 23.4, 23.5 and 23.6 at Annex IV of the <i>Supervisory Reporting ITS</i></u></p> <p><u>((2), (21), (25), (27), (38), (39))</u></p>	=	=	=	=
<u>Flows of non-performing exposures, impairments and write offs</u>	<p><u>Either:</u></p> <p><u>(1) Templates 24.1, 24.2 and 24.3 at Annex III of the <i>Supervisory Reporting ITS</i>; or</u></p> <p><u>(2) Templates 24.1, 24.2 and 24.3 at Annex IV of the <i>Supervisory Reporting ITS</i></u></p> <p><u>((2), (21), (25), (27), (38), (39))</u></p>	<p><u>Either:</u></p> <p><u>(1) Templates 24.1, 24.2 and 24.3 at Annex III of the <i>Supervisory Reporting ITS</i>; or</u></p> <p><u>(2) Templates 24.1, 24.2 and 24.3 at Annex IV of the <i>Supervisory Reporting ITS</i></u></p> <p><u>((2), (21), (28), (33), (34), (38), (40), (41))</u></p>	<p><u>Either:</u></p> <p><u>(1) Templates 24.1, 24.2 and 24.3 at Annex III of the <i>Supervisory Reporting ITS</i>; or</u></p> <p><u>(2) Templates 24.1, 24.2 and 24.3 at Annex IV of the <i>Supervisory Reporting ITS</i></u></p> <p><u>((2), (21), (25), (27), (38), (39))</u></p>	=	=	=	=

<p><u>Collateral obtained by taking possession and execution processes</u></p>	<p><u>Either:</u> (1) <u>Templates 25.1, 25.2 and 25.3 at Annex III of the Supervisory Reporting ITS;</u> <u>or</u> (2) <u>Templates 25.1, 25.2 and 25.3 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (25), (27), (38), (39))</u></p>	<p><u>Either:</u> (1) <u>Templates 25.1, 25.2 and 25.3 at Annex III of the Supervisory Reporting ITS;</u> <u>or</u> (2) <u>Templates 25.1, 25.2 and 25.3 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (28), (33), (34), (38), (40), (41))</u></p>	<p><u>Either:</u> (1) <u>Templates 25.1, 25.2 and 25.3 at Annex III of the Supervisory Reporting ITS;</u> <u>or</u> (2) <u>Templates 25.1, 25.2 and 25.3 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (25), (27), (38), (39))</u></p>	<p>=</p>	<p>=</p>	<p>=</p>	<p>=</p>
<p><u>Forbearance management and quality of forbearance</u></p>	<p><u>Either:</u> (1) <u>Template 26 at Annex III of the Supervisory Reporting ITS;</u> <u>or</u> (2) <u>Template 26 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (25), (27), (38), (39))</u></p>	<p><u>Either:</u> (1) <u>Template 26 at Annex III of the Supervisory Reporting ITS;</u> <u>or</u> (2) <u>Template 26 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (28), (33), (34), (38), (40), (41))</u></p>	<p><u>Either:</u> (1) <u>Template 26 at Annex III of the Supervisory Reporting ITS;</u> <u>or</u> (2) <u>Template 26 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (25), (27), (38), (39))</u></p>	<p>=</p>	<p>=</p>	<p>=</p>	<p>=</p>

<u>Average duration and recovery periods</u>	<u>Either:</u> (1) <u>Template 47 at Annex III of the Supervisory Reporting ITS;</u> <u>or</u> (2) <u>Template 47 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (25), (27), (38), (39))</u>	<u>Either:</u> (1) <u>Template 47 at Annex III of the Supervisory Reporting ITS;</u> <u>or</u> (2) <u>Template 47 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (28), (33), (34), (38), (40), (41))</u>	<u>Either:</u> (1) <u>Template 47 at Annex III of the Supervisory Reporting ITS;</u> <u>or</u> (2) <u>Template 47 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (25), (27), (38), (39))</u>	=	=	=	=
...							

...

(38) Applies only to a firm, which has a gross carrying amount of non-performing loans and advances which constitute non-performing exposures in excess of 5% of its total gross carrying amount of loans and advances on an individual basis or on a UK consolidation group basis. If this data item applies to a firm due to the level of non-performing exposures calculated on the basis of its UK consolidation group only, the firm must report the item only on a UK consolidation group basis.

(39) Save where the conditions in footnote (27) are satisfied a firm must complete this data item on an individual basis if Condition A and Condition B are both met on an individual basis. A firm must complete this data item on a UK consolidation group basis if Condition A and Condition B are both met on a UK consolidation group basis. Condition A is met where a firm has total assets equal to or greater than £5 billion for two consecutive reporting periods as set out in 7.2. Condition B is met where a firm has gross carrying non-performing loans and advances, which constitute non-performing exposures in excess of 5% of its total gross carrying amount of loans and advances for two consecutive reporting periods as set out in 7.2. The requirement to report on a UK consolidation group basis ceases if (a) in a reporting period Condition A and/or Condition B is unmet on a UK consolidation group basis, and (b) in the subsequent reporting period, Condition A and/or Condition B is unmet on a UK consolidation group basis. The requirement to report on an individual basis ceases if (a) in a reporting period Condition A and/or Condition B is unmet on an individual basis, and (b) in the subsequent reporting period, Condition A and/or Condition B is unmet on an individual basis.

(40) A ring-fenced body is not required to submit this data item on a sub-consolidated basis if the ring-fenced body has non-performing exposures that are below 5% of its total loans and advances on a sub-consolidated basis.

(41) Reports are only required where both of the thresholds referred to in the footnotes (33), (34), (38) and (40) of 7.1 have been exceeded in the two most recent preceding and consecutive applicable reporting periods. The requirement to report will cease when one

and/or the other of the relevant thresholds in the footnotes (33) (34), (38) and (40) of 7.1 are below the thresholds referred to for two consecutive reporting periods.

7.2 The applicable reporting frequencies for submission of *data items* and periods referred to in 7.1 are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

RAG 1				
Data item	UK banks and building societies (on an unconsolidated or individual consolidated basis) (9)	[deleted.]	UK banks and building societies (on a UK consolidation group, defined liquidity group, domestic liquidity sub-group or sub-consolidation group basis, as applicable)	Other members of RAG 1
...				
Templates 20.4 and 20.7 at Annex III of the <i>Supervisory Reporting ITS</i>	Quarterly (11)		Quarterly (11)	-
Templates 23.1, 23.2, 23.3, 23.4, 23.5 and 23.6 at Annex III or Annex IV of the <i>Supervisory Reporting ITS</i>	Quarterly (11)	-	Quarterly (11)	-
Templates 24.1, 24.2 and 24.3 at Annex III or Annex IV of the <i>Supervisory Reporting ITS</i>	Quarterly (11)	-	Quarterly (11)	-
Templates 25.1, 25.2 and 25.3 at Annex III or Annex IV of the <i>Supervisory Reporting ITS</i>	Quarterly (11)	-	Quarterly (11)	-
Template 26 at Annex III or Annex IV of the <i>Supervisory Reporting ITS</i>	Quarterly (11)	-	Quarterly (11)	-

Template 47 at Annex III or Annex IV of the <i>Supervisory Reporting ITS</i>	Annually (11)	-	Annually (11)	-
...				

...

(8) [deleted]

(9) A firm which has an *individual consolidation permission* must submit *data items* FSA005, FSA011, FSA015, FSA017, FSA045, Templates 1.1, 1.2, 1.3, 2, 3, 4.3.1, 4.4.1, 5.1, 7.1, 9.1.1, 12.1, 12.2, 13.1, 18, 19, 20.4 ~~and 20.7~~, 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 24.1, 24.2, 24.3, 25.1, 25.2, 25.3, 26 and 47 at Annex III or IV of the *Supervisory Reporting ITS*, PRA104, PRA105, PRA106, PRA107 and PRA108 on an individual consolidated basis, and all other *data items* in this column on an unconsolidated basis. All other *firms* must submit all *data items* in this column on an unconsolidated basis.

...

7.3 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 7.2, unless indicated otherwise.

RAG 1						
Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
Templates 20.4 and 20.7 at Annex III of the <i>Supervisory Reporting ITS</i>	-	-	-	30 <i>business days</i>		
Templates <u>23.1, 23.2, 23.3, 23.4, 23.5 and 23.6</u> at Annex III or Annex IV of the <i>Supervisory Reporting ITS</i>	=	=	=	<u>30 business days</u>	=	=
Templates <u>24.1, 24.2 and 24.3</u> at Annex III or Annex IV of the <i>Supervisory Reporting ITS</i>	=	=	=	<u>30 business days</u>	=	=
Templates <u>25.1, 25.2 and 25.3</u> at Annex III or Annex IV of the <i>Supervisory Reporting ITS</i>	=	=	=	<u>30 business days</u>	=	=

<u>Template 26 at Annex III or Annex IV of the Supervisory Reporting ITS</u>	=	=	=	<u>30 business days</u>	=	=
<u>Template 47 at Annex III or Annex IV of the Supervisory Reporting ITS</u>	=	=	=	=	=	<u>30 business days</u>
...						

16 Data Items and Other Forms

...

16.34 Templates 1.1 ,1.2, 1.3, 2, 3, 4.3.1, 4.4.1, 5.1, 7.1, 9.1.1, 12.1, 12.2, 13.1, 18, 19, 20.4, and 20.7, 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 24.1, 24.2, 24.3, 25.1, 25.2, 25.3, 26 and 47 at Annexes III and IV of the *Supervisory Reporting ITS* can be found here. ~~here.~~

...

16.38 RFB004 can be found here. ~~here.~~

...

19 Notifications Regarding Financial Information Reporting

...

19.3A A *firm* which is required to complete any of the following *data items* must notify the *PRA* if it adjusts its reporting reference dates for the *data item* from the calendar year to its accounting year-end:

(1) Any of templates 1.1 ,1.2, 1.3, 2, 3, 4.3.1, 4.4.1, 5.1, 7.1, 9.1.1, 12.1, 12.2, 13.1, 18, 19, 20.4, and 20.7, 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 24.1, 24.2, 24.3, 25.1, 25.2, 25.3, 26 and 47 at Annexes III and IV of the *Supervisory Reporting ITS*;

...

PRA RULEBOOK: CRR FIRMS: NON CRR FIRMS: BRANCH RULES INSTRUMENT 2019**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) (Rulemaking 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: Non CRR Firms: Branch Rules Instrument 2019

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

Part	Annex
Incoming Firms and Third Country Firms	A
Regulatory Reporting	B

Commencement

- E. This instrument comes into force on 1 January 2020.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Non CRR Firms: Branch Rules Instrument 2019.

By order of the Prudential Regulation Committee

5th September 2019

Annex A**Amendments to the Incoming Firms and Third Country Firms Part**

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

...

3 BRANCH RETURN

- 3.1 ~~A *firm* must provide the PRA with information in accordance with the Branch Return Form. The information must be provided as at 30 June and 31 December each year and provided electronic means within 30 days of the date to which the information relates. [Deleted.]~~

4 FORM

- 4.1 ~~The Branch Return Form can be found here [Deleted.]~~

Annex B

Amendments to the Regulatory Reporting Part

In this Annex new text is underlined.

...

2 REPORTING REQUIREMENTS – DATA ITEMS

...

2.10 An incoming firm or a third country firm, that is a bank or designated investment firm, must also submit data items as required by Chapter 22.

...

22 BRANCH RETURN REPORTING

22.1 This Chapter applies only to:

(1) an incoming firm; or

(2) a third country firm,

that is:

(3) a bank; or

(4) a designated investment firm.

22.2 A firm must provide the PRA with information in accordance with the Branch Return Form. The information must be provided as at 30 June and 31 December each year and provided within 30 business days of the date to which the information relates.

22.3 The Branch Return Form can be found [here](#).

PRA RULEBOOK: CRR FIRMS: NON CRR FIRMS: SOLVENCY II FIRMS: NON SOLVENCY II FIRMS: ALLOCATION OF RESPONSIBILITIES AND NOTIFICATIONS INSTRUMENT 2019

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 59 (Approval for particular arrangements);
 - (2) Section 60 (Applications for Approval);
 - (3) Section 61 (Determination of Applications);
 - (4) Section 137G (The PRA’s general rules); and
 - (5) 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: NON CRR FIRMS: SOLVENCY II FIRMS: NON SOLVENCY II FIRMS: ALLOCATION OF RESPONSIBILITIES AND NOTIFICATIONS INSTRUMENT 2019

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

Part	Annex
Allocation of Responsibilities	A
Senior Managers Regime – Applications and Notifications	B
Insurance – Senior Managers Regime – Applications and Notifications	C
Large Non-Solvency II Firms – Senior Managers Regime – Applications and Notifications	D
Non-Solvency II Firms – Senior Managers Regime – Applications and Notifications	E

Commencement

- E. This instrument comes into force on 9 December 2019.

Citation

- F. This instrument may be cited as the PRA RULEBOOK: CRR FIRMS: NON CRR FIRMS: SOLVENCY II FIRMS: NON SOLVENCY II FIRMS: ALLOCATION OF RESPONSIBILITIES AND NOTIFICATIONS INSTRUMENT 2019

By order of the Prudential Regulation Committee
25th September 2019

Annex A

Amendments to the Allocation of Responsibilities Part

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

...

4 PRESCRIBED RESPONSIBILITIES

4.1 Each of the responsibilities set out in this rule is a *prescribed responsibility*.

...

(10) responsibility for developing and maintaining the *firm's recovery plan*, ~~and resolution pack~~ and, where relevant, resolution assessment, and for overseeing the internal processes regarding their governance (PR R);

...

Annex B

Amendments to Senior Managers Regime – Applications and Notifications Part

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

...

2 APPLICATION TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

...

2.7 ...

(2) A *statement of responsibilities* must be in the form set out [here](#)~~here~~.

...

Annex C

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

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

...

7 Forms

7.1 ...

(7) The *statement of responsibilities form* may be found [here](#) ~~here~~.

...

Annex D

Amendments to 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.

...

7 Forms

7.1 ...

(7) The *statement of responsibilities form* may be found [here](#) here.

Annex E

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

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

...

7 Forms

7.1 ...

(7) The *statement of responsibilities* form may be found [here](#) here.

**PRA RULEBOOK: REGULATORY REPORTING (MORTGAGE REPORTING) AMENDMENT
INSTRUMENT 2019**

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: Regulatory Reporting (Mortgage Reporting) Amendment Instrument 2019

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

Part	Annex
Regulatory Reporting	A
Regulatory Reporting	B

Commencement

- E. Annex A comes into force on 1st October 2020. Annex B comes into force on 1st April 2021.

Citation

- F. This instrument may be cited as the PRA Rulebook: Regulatory Reporting (Mortgage Reporting) Amendment Instrument 2019.

By order of the Prudential Regulation Committee

5th September 2019

Annex A

Amendments to the Regulatory Reporting Part

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

Part

REGULATORY REPORTING

Chapter content

11 REGULATED ACTIVITY GROUP 5

...

11.2

...

- (1) When submitting the completed *data item* required, a *firm* must use the format of the ~~data item~~ *data item* set out in **Chapter 1816**.

...

16 DATA ITEMS AND OTHER FORMS

...

- 16.21 MLAR can be found ~~here~~ [here](#).

...

Annex B

Amendments to the Regulatory Reporting Part

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

Part

REGULATORY REPORTING

Chapter content

...

23. REGULATORY MORTGAGE CONTRACT REPORTING

...

1 APPLICATION AND DEFINITIONS

...

1.2

...

contractual reversion rate

means the interest rate on a regulated mortgage contract to which the interest rate which applies at the date of the mortgage transaction will change at the end of any initial incentive or fixed rate period.

...

further advance

means a further loan to an existing borrower of the firm and which is secured on the same property, whether under a new mortgage contract or by variation to an existing mortgage contract, including a loan secured by a second or subsequent charge where the firm has the benefit of the first charge (or other charge ranking in priority to that on which the further advance is secured).

...

regulated mortgage contract

means the investment specified in Article 61(3)(a) of the Regulated Activities Order.

...

second charge regulated mortgage contract

means a regulated mortgage contract which is not a legal mortgage ranking in priority ahead of all other mortgages (if any) affecting the property in question, where 'mortgage' includes charge and (in Scotland) a heritable security.

...

2 REPORTING REQUIREMENTS – DATA ITEMS

...

2.11 A firm permitted to carry on the regulated activity of entering into a regulated mortgage contract, except an incoming EEA firm with permission for cross border services only, must also submit data items as required by Chapter 23.

...

23 REGULATORY MORTGAGE CONTRACT REPORTING

Application

23.1 This Chapter applies to every *firm* permitted to carry on the *regulated activity of entering into a regulated mortgage contract*, except an *incoming EEA firm with permission for cross border services only*.

Reporting Requirement

23.2 If a *firm* makes a *further advance* under a *regulated mortgage contract*, the *firm* must submit to the *FCA* a 'sales data report' within the meaning of SUP 16.11 of the *FCA Handbook* which contains the *data elements* set out in SUP 16 Annex 21 of the *FCA Handbook*.

23.3 If a *firm* makes an advance under a *regulated mortgage contract* which is not a *second charge regulated mortgage contract*, the *firm* must submit the *data elements* specified in 23.6 to the *FCA* as part of a 'sales data report' under SUP 16.11 of the *FCA Handbook*.

23.4 If a *firm* makes an advance under a *second charge regulated mortgage contract* the *firm* must submit the *data elements* specified in 23.7 to the *FCA* as part of a 'sales data report' under SUP 16.11 of the *FCA Handbook*.

23.5 (1) A *firm* may appoint another person to submit the 'sales data report' under 23.2 or the *data elements* under 23.3 or 23.4 on the *firm's* behalf if the *firm* has informed the *PRA* and the *FCA* of that appointment in writing.

(2) Where (1) applies, the *firm* must ensure that the submission complies with the requirements of this Chapter and identifies the originator of the transaction.

Data Elements

23.6 The *data elements* referred to in 23.3 are:

- (1) the total amount owed by the borrower to the *firm* and secured on the same property immediately prior to the new borrowing– this *data element* is not limited to amounts secured by *regulated mortgage contracts*, but includes any borrowing secured on the property;
- (2) if a stress test was undertaken, the interest rate to which stress was applied in order to produce a stress-tested interest rate; and
- (3) if a stress test was undertaken and the *contractual reversion rate* is different from the rate reported in (2), the *contractual reversion rate* specified in the *regulated mortgage contract*.

23.7 The *data elements* referred to in 23.4 are:

- (1) the total amount owed by the borrower to the *firm* and secured on the same property immediately prior to the new borrowing– this *data element* is not limited to amounts secured by *regulated mortgage contracts*, but includes any borrowing secured on the property;
- (2) the total amount owed by the borrower to third parties secured on the property;
- (3) if a stress test was undertaken, the interest rate to which stress was applied in order to produce a stress-tested interest rate; and
- (4) if a stress test was undertaken and the *contractual reversion rate* is different from the rate reported in (3), the *contractual reversion rate* specified in the *second charge regulated mortgage contract*.

Mode of Reporting

23.8 A firm must submit the 'sales data report' required by 23.2 and the *data elements* required by 23.3 and 23.4 in accordance with the procedure and format for a 'sales data report' set out in SUP 16.11 of the *FCA Handbook*.

PRA RULEBOOK: SOLVENCY II: REPORTING AMENDMENTS INSTRUMENT 2019

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)
- (2) section 137T (General supplementary powers).

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

Pre-conditions to making

B. 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: REPORTING AMENDMENTS INSTRUMENT 2019

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

Commencement

D. This instrument comes into force on 30 November 2019.

Citation

E. This instrument may be cited as the PRA Rulebook: SOLVENCY II: REPORTING AMENDMENTS INSTRUMENT 2019

By order of the Prudential Regulation Committee

25th September 2019

Annex

Amendments to the Reporting Part

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

8 NATIONAL SPECIFIC TEMPLATES

...

8.7 NS.07 can be found [here](#) ~~here~~.

8.8 NS.08 can be found [here](#) ~~here~~.

**PRA RULEBOOK: CRR FIRMS: REGULATORY REPORTING (AMENDMENT) (NO. 2)
INSTRUMENT 2019**

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 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: Regulatory Reporting (Amendment) (No. 2) Instrument 2019

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

Commencement

- E. The Annex comes into force on 30 September 2019.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Regulatory Reporting (Amendment) (No. 2) Instrument 2019

By order of the Prudential Regulation Committee

25 September 2019

Annex

Amendments to the Regulatory Reporting Part

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

7 REGULATED ACTIVITY GROUP 1

7.1 The applicable *data items* referred to in the table in 6.1 are set out according to *firm* type in the table below:

RAG 1	Prudential category of <i>firm</i> , applicable <i>data items</i> and reporting format (1)						
	<i>UK bank other than a ring-fenced body</i>	<i>Ring-fenced body</i>	<i>Building society</i>	<i>Non-EEA bank</i>	<i>EEA bank that has permission to accept deposits and that has its registered office (or, if it has no registered office, its head office) outside the EU</i>	[deleted.]	[deleted]
Description of <i>data item</i>							
...							
Market Risk—supplementary [deleted.]	FSA006 (4) [deleted.]	FSA006 (4) [deleted.]	-	-	-	-	-
...							

...

(4) Only applicable to *firms* with a *CRR permission* to use internal models in accordance with Part 3, Title IV, Chapter 5 of the *CRR*. [deleted.]

...

7.2 The applicable reporting frequencies for submission of *data items* and periods referred to in 7.1 are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

RAG 1				
<i>Data item</i>	<i>UK banks and building societies (on an unconsolidated or individual consolidated basis) (9)</i>	[deleted.]	<i>UK banks and building societies (on a UK consolidation group, defined liquidity group, domestic liquidity sub-group or sub-consolidation group basis, as applicable)</i>	Other members of RAG 1

...				
FSA006 [deleted.]	Quarterly [deleted.]	-	-	-
...				

7.3 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 7.2, unless indicated otherwise.

RAG 1						
Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
FSA006 [deleted.]	-	-	-	20 business days [deleted.]	-	-
...						

...

9 REGULATED ACTIVITY GROUP 3

...

9.2 The applicable *data items* referred to in the table in 6.1 for a *UK designated investment firm* are set out in the table below:

RAG 3	
Description of <i>data item</i>	Applicable <i>data items</i> (1)
...	
Market risk supplementary [deleted.]	FSA006 (3) [deleted.]
...	

(3) ~~Only applicable to firms with a CRR permission to use internal models in accordance with Title IV, Chapter 5 of the CRR. [deleted.]~~

...

9.3 The applicable reporting frequencies for submission of *data items* and periods referred to in 9.2 are set out in the table below. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

RAG 3	
<i>Data item</i>	Reporting frequency
...	
FSA006 [deleted.]	Quarterly [deleted.]
...	

...

9.4 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 9.3, unless indicated otherwise.

RAG 3						
<i>Data item</i>	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
FSA006 [deleted.]	-	-	-	20 business days [deleted.]	-	-
...						

16 DATA ITEMS AND OTHER FORMS

...

16.4 ~~FSA006 can be found here. [deleted.]~~

...

PRA RULEBOOK: CRR FIRMS: LARGE EXPOSURES AMENDMENT INSTRUMENT 2019**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 has consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

Reciprocating measure

- D. On 1 July 2018, by a Decision of the Haut Conseil de stabilité financière and pursuant to Article 458(2) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment (“CRR”), France implemented a tightening of the large exposure limit provided for in Article 395(1) of the CRR, applicable to exposures to certain French counterparties (“the French measure”).
- E. On 1 February 2019, the European Systemic Risk Board issued Recommendation ESRB/2018/8, recommending reciprocation of the French measure by other member states of the European Union.
- F. On 17 July 2019, HM Treasury gave notice under Article 458(6) of the CRR of its decision under Article 458(5) of the CRR to recognise the French measure in the United Kingdom.

PRA Rulebook: CRR Firms: Large Exposures Amendment Instrument 2019

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

Commencement

- H. This instrument comes into force on 1 January 2020.

Citation

- I. This instrument may be cited as the PRA Rulebook: CRR Firms: Large Exposures Amendment Instrument 2019.

By order of the Prudential Regulation Committee

11th October 2019

Annex

Amendments to the Large Exposures Part

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

Part

LARGE EXPOSURES

Chapter content

...

5. LARGE EXPOSURES – STRICTER REQUIREMENT FOR EXPOSURES OF G-SIIS AND O-SIIS TO CERTAIN FRENCH COUNTERPARTIES

...

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part the following definitions shall apply:

Capital Buffers Regulations

means the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014 (SI 2014/894).

...

French NFC

means a counterparty that has its registered office in France, and which, at its level and at the highest level of consolidation of its *group*, belongs to the non-financial corporations sector as defined in point 2.45 of Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union.

group of connected French NFCs

means

- (a) where a French NFC is part of a *group* and the ultimate parent of the *group* has its registered office in France, the *group* and all its connected entities within the meaning of point (39) of Article 4(1) of the CRR;
- (b) where a French NFC is part of a *group* and the ultimate parent of the *group* has its registered office outside France, the set of French NFCs in the same *group* and all other entities in France or abroad over which those French NFCs have direct or indirect control, or which are economically dependent on them, within the meaning of point (39) of Article 4(1) of the CRR.

G-SII

means a person identified by the PRA in accordance with Part 4 of the Capital Buffers Regulations.

highly indebted

in relation to a French NFC or a group of connected French NFCs, means that, at the highest level of *group* consolidation, the following two conditions are met, each condition being calculated based on accounting items defined in accordance with the applicable standard, as presented in the *group's* financial statements, such statements certified where appropriate by a chartered accountant:

- (a) the first condition is that the leverage ratio is greater than 100%, where the leverage ratio is the ratio between total debt net of cash, and equity; and
- (b) the second condition is that the financial charges coverage ratio is less than 3, where the financial charges coverage ratio is the ratio between, on the one hand, earnings before interest and tax (EBIT), and, on the other hand, interest and similar charges.

...

O-SII

means a person identified by the *PRA* in accordance with Part 5 of the *Capital Buffers Regulations*.

parent financial holding company in a Member State

means (in accordance with point (26) of Article 3(1) of the *CRD*) a *financial holding company* which is not itself a *subsidiary* of an *institution* authorised in the same *EEA State*, or of a *financial holding company* or *mixed financial holding company* set up in the same *EEA State*.

parent institution in a Member State

means (in accordance with point (24) of Article 3(1) of the *CRD*) an *institution* authorised in an *EEA State* which has an *institution* or *financial institution* as *subsidiary* or which holds a *participation* in such an *institution* or *financial institution*, and which is not itself a *subsidiary* of another *institution* authorised in the same *EEA State* or of a *financial holding company* or *mixed financial holding company* set up in the same *EEA State*.

parent mixed financial holding company in a Member State

means (in accordance with point (28) of Article 3(1) of the *CRD*) a *mixed financial holding company* which is not itself a *subsidiary* of an *institution* authorised in the same *EEA State*, or of a *financial holding company* or *mixed financial holding company* set up in the same *EEA State*.

qualifying exposure

means an *exposure* which has an original exposure value greater than or equal to €300 million, calculated in accordance with Articles 389 and 390 of the *CRR* before taking into account the effect of credit risk mitigation techniques and exemptions set out in Articles 399 to 403 of the *CRR* (and as required to be reported in accordance with Article 9 of the *Supervisory Reporting ITS*).

...

5 LARGE EXPOSURES – STRICTER REQUIREMENT FOR EXPOSURES OF G-SIIS AND O-SIIS TO CERTAIN FRENCH COUNTERPARTIES

Application and interpretation

- 5.1 This Chapter applies only to *firms* that are *CRR firms* and are, or are controlled by, a *G-SII* or an *O-SII*.
- 5.2 In 5.6 and 5.7, a reference to an *exposure* to multiple counterparties means the sum of the *exposures* to the individual counterparties.

Level of application

- 5.3 A *firm* which is a *parent institution in a Member State* must comply with this Chapter on the basis of its *consolidated situation*.
- 5.4 A *firm* controlled by a *parent institution in a Member State* or a *parent financial holding company in a Member State* or a *parent mixed financial holding company in a Member State*

must comply with this Chapter on the basis of the *consolidated situation* of that parent institution or holding company.

5.5 A firm to which 5.3 and 5.4 do not apply must comply with this Chapter on an individual basis.

Materiality threshold

5.6 The reduced limit in 5.7 does not apply unless a firm meets each of the following conditions on the applicable basis determined in accordance with 5.3 to 5.5:

- (1) The sum of the firm's exposures to all French NFCs is greater than €2 billion;
- (2) The firm has a qualifying exposure to a French NFC or a group of connected French NFCs, but considering, in the case of a group of connected French NFCs the ultimate parent of which is outside France, only exposures to the French NFCs in the group as required to be reported in templates C 28.00 and C 29.00 of Annex VIII to the Supervisory Reporting ITS; and
- (3) The firm has an exposure meeting the conditions in (2) which is greater than 5% of its eligible capital, after taking into account the effect of the credit risk mitigation techniques and exemptions in accordance with Article 399 to 403 of the CRR.

Reduced limit on exposures

5.7 The limit on exposures as a proportion of capital referred to in Article 395(1) of the CRR is reduced to 5% in respect of a qualifying exposure to a highly indebted French NFC or a highly indebted group of connected French NFCs.

Externally defined terms

Term	Definition source
Consolidated situation	Article 4(1)(47) CRR
Eligible capital	Article 4(1)(71) CRR
Financial holding company	Article 4(1)(20) CRR
Subsidiary	Article 4(1)(16) CRR
Institution	Article 4(1)(3) CRR
Mixed financial holding company	Article 4(1)(21) CRR
Financial institution	Article 4(1)(26) CRR
Participation	Article 4(1)(35) CRR
EEA State	Section 425 FSMA