

PRA RULEBOOK: CRR FIRMS: LEVERAGE RATIO (AMENDMENT) INSTRUMENT 2018**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules); and
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

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

PRA Rulebook: CRR Firms: Leverage Ratio (Amendment) Instrument 2018

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

Part	Annex
Glossary	A
Leverage Ratio	B
Reporting Leverage Ratio	C
Public Disclosure	D
Ring-fenced Bodies	E

Commencement

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

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Leverage Ratio (Amendment) Instrument 2018.

By order of the Prudential Regulation Committee

7 November 2018

Annex A

Amendments to the Glossary

In the Glossary, insert the following new definitions:

RFB sub-consolidated basis

means on the *sub-consolidated basis* of the *sub-consolidation group*.

Annex B

Amendments to the Leverage Ratio 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) 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:
- (~~1a~~) an individual basis;
 - (~~2b~~) if the *firm* is a *parent institution in a Member State*, on the basis of its *consolidated situation*; or
 - (~~3c~~) 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*, 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

...

2.4 A *ring-fenced body* must comply with this Part on an *RFB sub-consolidated basis* whether or not under 2.2 or 2.3 it also applies to the *ring-fenced body* on a *consolidated basis*.

...

Annex C

Amendments to the Reporting Leverage Ratio 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) 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:
- (~~4~~a) an individual basis;
 - (~~2~~b) if the *firm* is a *parent institution in a Member State*, on the basis of its *consolidated situation*; or
 - (~~3~~c) 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*, 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

...

2.4 A *ring-fenced body* must comply with this Part on an *RFB sub-consolidated basis* whether or not under 2.2 or 2.3 it also applies to the *ring-fenced body* on a *consolidated basis*.

...

3 REPORTING

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

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Annex D

Amendments to the Public Disclosure 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:
- (1a) an individual basis;
 - (2b) if the *firm* is a *parent institution in a Member State*, on the basis of its *consolidated situation*; or
 - (3c) 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*, 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 3.1(1).

Application on an individual or consolidated basis

3.2 A *firm* that is:

...

(3) controlled by a *parent financial holding company in a Member State* or a *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* must comply with this Chapter on the basis of the *consolidated situation* of that holding company;:-

(4) a *ring-fenced body* must comply with this Chapter on an *RFB sub-consolidated basis* whether or not under 3.2(2) or 3.2(3) it also applies to the *ring-fenced body* on a *consolidated basis*.

...

Annex E

Amendments to the Ring-fenced Bodies Part

In this Annex new text is underlined.

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18 APPLICATION OF CERTAIN PRA RULES TO RING-FENCED BODIES ON A SUB-CONSOLIDATED BASIS

18.1 A *ring-fenced body* that is required under Article 11(5) of the *CRR* to comply with obligations on a *sub-consolidated basis* must comply with the following provisions of the *PRA* Rulebook on that *sub-consolidated basis*:

...

(12) 2.1 of the Public Disclosure Part;

...