

PRA RULEBOOK: ADMINISTRATION INSTRUMENT 2017**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (the PRA’s general rules);
 - (2) section 137H (general rules about remuneration);
 - (3) section 137T (general supplementary powers); and
 - (4) 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: Administration Instrument 2017

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

(1)	(2)
AUDIT COMMITTEE	A
REMUNERATION	B
NOTIFICATIONS	C
RING-FENCED BODIES	D
FITNESS AND PROPRIETY	E

Commencement

- E. Annexes A and D to this instrument come into force on 1 January 2019. Annexes B, C and E to this instrument come into force on 18 January 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Administration Instrument 2017.

By order of the Board of the Prudential Regulation Authority

12 January 2017

Annex A

Amendments to the Audit Committee Part

In this Annex deleted text is struck through.

...
1.4 In this Part, the following definitions shall apply:

~~*audit committee*~~

~~means a committee established in accordance with 2.1.~~

...

Annex B

Amendments to the Remuneration Part

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

1 APPLICATION AND DEFINITIONS

...

1.3 ...

(2) In this Chapter, references to rules in 15 in relation to a *firm* shall be read on the basis that references to employment with or the provision of services to the *firm*, include references to employment with or the provision of services to a previous *firm* to which the ~~buy-out~~ buy-out relates.

...

15A BUY-OUTS

Application

15A.1 Rules 15A.2 to 15A.11 apply where:

- ~~(3)~~ (1) a *firm* agrees with an *employee* to pay or provide a *buy-out*;
- ~~(4)~~ (2) the *buy-out* relates to employment with a previous *firm* that was subject to the *remuneration requirements*; and
- ~~(5)~~ (3) the *employee* was a *material risk taker* in that previous *firm*.

Annex C

Amendments to the Notifications Part

In this Annex, new text is underlined.

2 GENERAL NOTIFICATION REQUIREMENTS

- 2.1 A *firm* must notify the *PRA* immediately if it becomes aware, or has information which reasonably suggests, that any of the following has occurred, may have occurred or may occur in the foreseeable future:

...

Annex D

Amendments to the Ring-fenced Bodies Part

In this Annex, deleted text is struck through.

...

17 POLICIES REGARDING USE OF EXCEPTIONS TO EXCLUDED ACTIVITIES AND PROHIBITIONS

17.1 For each *exception* separately, a *ring-fenced body* must establish, implement and maintain an effective policy that sets out at least the following:

...

(3) how the *ring-fenced body* determines that the sole or main purpose of an *exception transaction* is:

...

(b) for a *liquidity asset exception transaction*, to manage the liquidity of the *ring-fenced body*; and

...

Annex E

Amendments to the Fitness and Propriety Part

In this Annex, new text is underlined.

...

4 NOTIFIED NON-EXECUTIVE DIRECTORS - NOTIFICATIONS

...

- 4.3 If the notification referred to in 4.2 is in respect of a *person* who, on becoming a *notified non-executive director*, ceases to perform a *PRA senior management function* or an *FCA-designated senior management function*, the firm is not required to provide information needed to assess the fitness and propriety of that person unless there has been a change in the information provided in respect of that person regarding fitness and propriety provided to the *PRA* or the *FCA* at the time the application for the approval for performance of *the PRA senior management function* or the *FCA-designated senior management function* was made.

PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS, NON-AUTHORISED PERSONS: DEPOSITOR PROTECTION (COVERAGE LEVEL) INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (2) section 137T (General supplementary powers);
 - (3) section 213 (The compensation scheme);
 - (4) section 214 (General); and
 - (5) section 218A (Regulators power to require information).
- 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, Non-Authorised Persons: Depositor Protection (Coverage Level) Instrument 2017

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

Commencement

- E. The rules in Annex A come into force on 30 January 2017.
- F. The rules in Annex B come into force on 1 July 2017.

Citation

- G. This instrument may be cited as the PRA Rulebook: CRR Firms, Non-CRR Firms, Non-Authorised Persons: Depositor Protection (Coverage Level) Instrument 2017.

By order of the Board of the Prudential Regulation Authority

12 January 2017

Annex A

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

Part

DEPOSITOR PROTECTION

Chapter content

...

58. TRANSITIONAL PROVISIONS – COVERAGE LEVEL

4 LIMITS ON COMPENSATION PAYABLE

...

4.2 The maximum compensation sum payable for the aggregate *eligible deposits* of each *depositor* is ~~£75,000~~ £85,000, save that additional compensation may be payable in cases to which 4.3 applies.

...

12 SINGLE CUSTOMER VIEW REQUIREMENTS

12.A1 This Chapter applies subject to Chapter 58.

12.A2 In this Chapter:

covered deposit

means the part of an eligible deposit that does not exceed £75,000.

transferable eligible deposit

means the portion of an *eligible deposit* up to and including £75,000, identified in accordance with Chapter 13 and 12.9.

...

12.7 A *firm* must ensure that its *SCV system*:

(1) ...

(2) includes a facility which identifies any portion of an *eligible deposit* that is over ~~the coverage level provided for in 4.2~~ £75,000.

...

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

...

51.	Compensatable amount in sterling	The amount to be compensated subject to the limit check that must be performed by the <i>firm</i> pursuant to 12.7(2) (this could be lower than the aggregate balance across all accounts if this exceeds the coverage level provided for in 4.2 <u>£75,000</u>). For beneficiary accounts, it may not be possible to calculate this amount and this field may be left blank.	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places. Maximum number of characters in field: 15
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13 BRRD MARKING AND CONTINUITY OF ACCESS

13.A1 This Chapter applies subject to Chapter 58.

13.A2 In this Chapter:

transferable eligible deposit

means the portion of an *eligible deposit* up to and including £75,000, identified in accordance with Chapter 13 and 12.9.

16 FIRMS' DISCLOSURE OBLIGATIONS – INFORMATION AND EXCLUSIONS

16.A1 This Chapter applies subject to Chapter 58.

17 FIRMS' DISCLOSURE OBLIGATIONS – STATEMENTS OF ACCOUNT

17.A1 This Chapter applies subject to Chapter 58.

18 REFERENCES TO THE DEPOSIT GUARANTEE SCHEME IN ADVERTISING

18.A1 This Chapter applies subject to Chapter 58.

23 DEPOSIT COMPENSATION INFORMATION – BRANCHES AND WEBSITES

23.A1 This Chapter applies subject to Chapter 58.

58 TRANSITIONAL PROVISIONS – COVERAGE LEVEL

58.1 This Chapter applies with effect from 30 January 2017 and is deleted with effect from 1 July 2017.

58.2 This Chapter does not apply to the FSCS.

58.3 In this Chapter:

SCV, continuity of access and information rule amendments

means the amendment of this Part so as to:

- (1) omit 12.A1, 12.A2, 13.A1, 13.A2, 16.A1, 17.A1, 18.A1 and 23.A1; and
- (2) replace references to “£75,000” in Chapter 12, Annex 1 (Information Sheet (Chapter 16)) and Annex 2 (Content of Compensation Stickers and Posters (Chapter 23)) with references to “£85,000”.

58.4 A firm shall, as soon as practicable after 30 January 2017 and in any event on or before 30 June 2017, comply with this Part as if the SCV, continuity of access and information rule amendments had been made.

Annex B

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

Part

DEPOSITOR PROTECTION

Chapter content

...

~~58. TRANSITIONAL PROVISIONS – COVERAGE LEVEL REPORT~~

12 SINGLE CUSTOMER VIEW REQUIREMENTS

~~12.A1 This Chapter applies subject to Chapter 58~~

~~12.A2 In this Chapter:~~

~~*covered deposit*~~

~~means the part of an eligible deposit that does not exceed £75,000.~~

~~*transferable eligible deposit*~~

~~means the portion of an eligible deposit up to and including £75,000, identified in accordance with Chapter 13 and 12.9.~~

...

12.7 A firm must ensure that its SCV system:

(1) ...

(2) includes a facility which identifies any portion of an *eligible deposit* that is over ~~£75,000~~ the coverage level provided for in 4.2.

...

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

...

51.	Compensatable amount in sterling	The amount to be compensated subject to the limit check that must be performed by the <i>firm</i> pursuant to 12.7(2) (this could be lower than the aggregate balance across all accounts if this exceeds £75,000 <u>the coverage level provided for in 4.2.</u> For beneficiary accounts, it may not be possible to calculate this amount and this field may be left blank.	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places. Maximum number of characters in field: 15
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13 BRRD MARKING AND CONTINUITY OF ACCESS

~~13.A1 This Chapter applies subject to Chapter 58.~~

~~13.A2 In this Chapter:~~

~~transferable eligible deposit~~

~~means the portion of an *eligible deposit* up to and including £75,000, identified in accordance with Chapter 13 and 12.9.~~

...

16 FIRMS' DISCLOSURE OBLIGATIONS – INFORMATION AND EXCLUSIONS

~~16.A1—This Chapter applies subject to Chapter 58.~~

17 FIRMS' DISCLOSURE OBLIGATIONS – STATEMENTS OF ACCOUNT

~~17.A1—This Chapter applies subject to Chapter 58.~~

18 REFERENCES TO THE DEPOSIT GUARANTEE SCHEME IN ADVERTISING

~~18.A1—This Chapter applies subject to Chapter 58.~~

23 DEPOSIT COMPENSATION INFORMATION – BRANCHES AND WEBSITES

~~23.A1—This Chapter applies subject to Chapter 58.~~

ANNEX 1

INFORMATION SHEET (CHAPTER 16)

Basic information about the protection of your eligible deposits	
Eligible deposits in [insert name of <i>firm</i>] are protected by:	the Financial Services Compensation Scheme ("FSCS") ¹
Limit of protection:	£75,000 £85,000 per depositor per bank / building society / credit union ² [where applicable]The following trading names are part of your bank / building society / credit union: [insert all trading names which operate under the same licence]
If you have more eligible deposits at the same bank / building society / credit union:	All your eligible deposits at the same bank / building society / credit union are "aggregated" and the total is subject to the limit of £75,000 £85,000. ²
If you have a joint account with other person(s):	The limit of £75,000 £85,000 applies to each

	depositor separately. ³
Reimbursement period in case of bank, building society or credit union's failure:	20 working days ⁴
Currency of reimbursement:	Pound sterling (GBP, £) or, for branches of UK banks operating in other EEA Member States, the currency of that State.
To contact [insert name of <i>firm</i>] for enquiries relating to your account:	[insert name of <i>firm</i> and contact details]
To contact the FSCS for further information on compensation:	Financial Services Compensation Scheme 10th Floor Beaufort House 15 St Botolph Street London EC3A 7QU Tel: 0800 678 1100 or 020 7741 4100 Email: ICT@fscs.org.uk
More information:	http://www.fscs.org.uk
Acknowledgement of receipt by the depositor:	

Additional information (all or some of the below)

¹Scheme responsible for the protection of your eligible deposit

Your eligible deposit is covered by a statutory Deposit Guarantee Scheme. If insolvency of your bank, building society or credit union should occur, your eligible deposits would be repaid up to ~~£75,000~~ £85,000 by the Deposit Guarantee Scheme.

²General limit of protection

If a covered deposit is unavailable because a bank, building society or credit union is unable to meet its financial obligations, depositors are repaid by a Deposit Guarantee Scheme. This repayment covers ~~at a maximum of £75,000~~ £85,000 per bank, building society or credit union. This means that all eligible deposits at the same bank, building society or credit union are added up in order to determine the coverage level. If, for instance a depositor holds a savings account with £80,000 and a current account with £20,000, he or she will only be repaid ~~£75,000~~ £85,000.

[only where applicable] This method will also be applied if a bank, building society or credit union operates under different trading names. [insert name of the account holding bank, building society or credit union] also trades under [insert all other trading names of the same bank, building society or credit union]. This means that all eligible deposits with one or more of these trading names are in total covered up to ~~£75,000~~ £85,000.

In some cases eligible deposits which are categorised as "temporary high balances" are protected above ~~£75,000~~ £85,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits connected with certain events including:

- (a) certain transactions relating to the depositor's current or prospective only or main residence or dwelling;

- (b) a death, or the depositor's marriage or civil partnership, divorce, retirement, dismissal, redundancy or invalidity;
- (c) the payment to the depositor of insurance benefits or compensation for criminal injuries or wrongful conviction.

More information can be obtained under <http://www.fscs.org.uk>

³Limit of protection for joint accounts

In case of joint accounts, the limit of ~~£75,000~~ £85,000 applies to each depositor.

However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of ~~£75,000~~ £85,000.

⁴Reimbursement

The responsible Deposit Guarantee Scheme is the Financial Services Compensation Scheme, 10th Floor Beaufort House, 15 St Botolph Street, London, EC3A 7QU, Tel: 0800 678 1100 or 020 7741 4100, Email: ICT@fscs.org.uk. It will repay your eligible deposits (up to ~~£75,000~~ £85,000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 working days from 1 January 2024 onwards, save where specific exceptions apply.

Where the FSCS cannot make the repayable amount available within 7 working days, it will, from 1 June 2016 until 31 December 2023, ensure that you have access to an appropriate amount of your covered deposits to cover the cost of living (in the case of a depositor which is an individual) or to cover necessary business expenses or operating expenses (in the case of a depositor which is not an individual or a large company) within 5 working days of a request. ~~Again, there are specific exceptions to this obligation.~~

~~In the case of a depositor which is a large company, where the FSCS cannot make the repayable amount available within 7 working days, it will, from 3 July 2015 until 1 December 2016, ensure that you have access to your covered deposits within fifteen working days of a request containing sufficient information to enable it to make a payment, save where specific exceptions apply.~~

~~In the case of a depositor which is a small local authority, where the FSCS cannot make the repayable amount available within 7 working days, it will, from 3 July 2015 until 1 June 2016, ensure that you have access to your covered deposits within fifteen working days of a request containing sufficient information to enable it to make a payment, save where specific exceptions apply.~~

If you have not been repaid within these deadlines, you should contact the Deposit Guarantee Scheme since the time to claim reimbursement may be barred after a certain time limit. Further information can be obtained under <http://www.fscs.org.uk>.

Other important information

In general, all retail depositors and businesses are covered by Deposit Guarantee Schemes. Exceptions for certain deposits are stated on the website of the responsible Deposit Guarantee Scheme. Your bank, building society or credit union will also inform you of any exclusions from protection which may apply. If deposits are eligible, the bank, building society or credit union shall also confirm this on the statement of account.

ANNEX 2

CONTENT OF COMPENSATION STICKER AND POSTER (CHAPTER 23)

1	The compensation stickers must contain the following statements only:
	<p>UK banks</p> <p>building societies</p> <p>credit unions</p> <p>Northern Ireland credit unions</p> <p>An overseas firm that:</p> <p>(a) is not an <i>incoming firm</i>; and</p> <p>(b) has a <i>Part 4A permission</i> that includes <i>accepting deposits</i></p>
(1)	<p>"Your eligible deposits with [insert name of firm] are protected up to a total of £75,000 <u>£85,000</u> 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."</p> <p>As an alternative, for <i>credit unions</i> or <i>Northern Ireland credit unions</i> that <i>accept deposits</i> under a single brand or trading name:</p> <p>"Your eligible deposits are protected up to a total of £75,000 <u>£85,000</u> 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 "</p>
	Incoming firm that is a <i>credit institution</i>
(2)	<p>"Your eligible deposits with [insert name of firm] are protected up to a total of [insert 100,000 euro or home state equivalent] by [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] limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit [insert website address of scheme]."</p>
2	The compensation posters must contain the following statements only:
	<p>UK banks</p> <p>building societies</p>

<p>credit unions</p> <p>Northern Ireland credit unions</p> <p>An overseas firm that:</p> <p>(a) is not an <i>incoming firm</i>; and</p> <p>(b) has a Part 4A permission that includes accepting deposits</p>	
(1)	<p><i>Firms that accept deposits under a single brand or trading name</i></p> <p>"Your eligible deposits with [insert name of firm] are protected up to a total of £75,000 <u>£85,000</u> 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"</p> <p>As an alternative, for <i>credit unions</i> or <i>Northern Ireland credit unions</i> that <i>accept deposits</i> under a single brand or trading name: "Your eligible deposits are protected up to a total of £75,000 <u>£85,000</u> 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"</p>
(2)	<p><i>Firms that accept deposits under multiple brands or trading names</i></p> <p>"Your eligible deposits with [insert name of firm] are protected up to a total of £75,000 <u>£85,000</u> 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 names 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"</p>
<p>Incoming firm that is a credit institution</p>	
(3)	<p><i>Incoming firm that is a credit institution and accepts deposits under a single brand or trading name</i></p> <p>"Your eligible deposits with [insert name of firm] are protected up to a total of [insert 100,000 euro or home state equivalent] by [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] limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit [insert website address of scheme]."</p>
(4)	<p><i>Incoming firm that accepts deposits under multiple brands or trading names</i></p>

	<p>"Your eligible deposits with [insert name of firm] are protected up to a total of [insert 100,000 euro or home state equivalent] by [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. 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] limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit [insert website address of scheme]."</p>
3	Each of the statements in 1 and 2 must appear as written with the first and second statements on separate lines. The second statement must appear in smaller font.

PRA RULEBOOK: CRR FIRMS AND NON-AUTHORISED PERSONS: RING-FENCING INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (2) section 137T (General supplementary powers);
 - (3) section 192JA (Rules applying to parent undertakings of ring-fenced bodies); and
 - (4) 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 and Non-Authorised Persons: Ring-fencing Instrument 2017

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

Commencement

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

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms and Non-Authorised Persons: Ring-fencing Instrument 2017.

By order of the Board of the Prudential Regulation Authority

24 January 2017

Annex A

Amendments to the Regulatory Reporting Part

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

1. APPLICATION AND DEFINITIONS

...

Capital+ condition 5

has the meaning given in 20.10 and 20.10A.

...

initial Capital+ reference date

means:

(1) ~~for a firm which is a PRA-*authorised person* on 1 October 2017, the first of the firm's *Capital+ reference dates* after 1 October 2017; or in relation to a *data item* which a *ring-fenced body* must submit on a *sub-consolidated basis* in accordance with 20.22A, the first of the firm's *Capital+ reference dates* after the firm became subject to the Ring-fenced Bodies Part of the *PRA Handbook*, or~~

(2) for any other *firm*, the first of the *firm's Capital+ reference dates* after it became a *PRA-
authorised person*.

...

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:		
		applicable <i>data items</i>	reporting frequency / period	due date
RAG 1	<ul style="list-style-type: none"> • <i>accepting deposits</i> • <i>meeting of repayment claims</i> • <i>managing dormant account funds (including the investment of such funds)</i> 	<p>7.1, except that the requirements to:</p> <p>(1) submit templates 1.1, 1.2, 1.3, 2 and 3 of Annexes III or IV of the <i>Supervisory Reporting ITS</i> on a <i>consolidated basis</i> <u>and, if applicable, on a <i>sub-consolidated basis</i></u>; and</p> <p>(2) submit PRA108 on a <i>consolidated basis</i> <u>and, if applicable, on a <i>sub-consolidated basis</i></u>.</p> <p>do not apply to a <i>firm</i> which is required to report financial information under Article 99(2) of <i>CRR</i>.</p>	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 <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.]	<i>Dormant account fund operator</i> (12)
Description of <i>data item</i>							
<i>Annual report and accounts</i> (20)	No standard format	No standard format	-	No standard format, but in English	-	-	No standard format
<i>Annual report and accounts of the mixed-activity holding company</i> (7) (20)	No standard format	No standard format	-	-	-	-	-
Solvency statement (8)	No standard format	-	-	-	-	-	-
Balance sheet	Either: (1) Templates 1.1, 1.2, 1.3 at Annex	Either: (1) <u>Templates 1.1, 1.2, 1.3 at Annex III of the</u>	Either: (1) Templates 1.1, 1.2, 1.3 at Annex III of the	-	-	[deleted.]	-

	<p>III of the <i>Supervisory Reporting ITS</i>; or (2) Templates 1.1, 1.2, 1.3 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))</p>	<p><u><i>Supervisory Reporting ITS</i></u>; or (2) <u>Templates 1.1, 1.2, 1.3 at Annex IV of the <i>Supervisory Reporting ITS</i></u> ((2),(21),(22))</p>	<p><i>Supervisory Reporting ITS</i>; or (2) Templates 1.1, 1.2, 1.3 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))</p>				
[deleted.]	[deleted.]	=	[deleted.]	[deleted.]	-	[deleted.]	-
Statement of profit or loss	<p>Either: (1) Template 2 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Template 2 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))</p>	<p>Either: (1) <u>Template 2 at Annex III of the <i>Supervisory Reporting ITS</i></u>; or (2) <u>Template 2 at Annex IV of the <i>Supervisory Reporting ITS</i></u> ((2),(21),(22))</p>	<p>Either: (1) Template 2 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Template 2 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))</p>	<p>Either: (1) Template 2 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Template 2 at Annex IV of the <i>Supervisory Reporting ITS</i> (21)</p>	-	-	-
Statement of comprehensive income	<p>Either: (1) Template 3 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Template 3 at Annex IV of the <i>Supervisory</i></p>	<p>Either: (1) <u>Template 3 at Annex III of the <i>Supervisory Reporting ITS</i></u>; or (2) <u>Template 3 at Annex IV of the <i>Supervisory Reporting ITS</i></u> ((2),(21),(22))</p>	<p>Either: (1) Template 3 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Template 3 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))</p>	-	-	-	-

	<i>Reporting ITS</i> <i>((2),(21))</i>						
Capital adequacy	-	=	-	-	-	[deleted.]	-
Market risk	FSA005 ((2),(3))	<u>FSA005 ((2),(3),(22))</u>	FSA005 ((2),(3))	-	-	-	-
Market risk – supplementary	FSA006 (4)	<u>FSA006 (4)</u>	-	-	-	-	-
Large exposures	-	=	-	-	-	[deleted.]	-
Exposures between core UK group and non-core large exposures group	FSA018 (10)	<u>FSA018 (10)</u>	FSA018 (10)	-	-	-	-
Liquidity (other than stock)	-	=	FSA011	-	-	[deleted.]	-
Forecast data	PRA104 (9) PRA105 (9) PRA106 (9) PRA107 (9)	<u>PRA104 (23)</u> <u>PRA105 (23)</u> <u>PRA106 (23)</u> <u>PRA107 (23)</u>	PRA104 (9) PRA105 (9) PRA106 (9) PRA107 (9)	-	-	-	-
Solo consolidation data	FSA016 (5)	<u>FSA016 (5)</u>	FSA016 (5)	-	-	-	-
Interest rate gap report	FSA017 (2)	<u>FSA017 ((2),(22))</u>	FSA017 (2)	-	-	-	-
Sectoral information, including arrears and impairment	FSA015 (2)	<u>FSA015 (2)</u>	FSA015 (2)	-	-	-	-
IRB portfolio risk	<u>FSA045 ((2),(11))</u>	<u>FSA045 ((2),(11),(22))</u>	<u>FSA045 ((2),(11))</u>	-	-	-	-
Daily Flows	FSA047 ((13), (16) and (18))	<u>FSA047 ((13), (16) and (18))</u>	FSA047 ((13), (16) and (18))	FSA047 ((13), (15), (16) and (18))	FSA047 ((13), (15), (16) and (18))	-	-

Enhanced Mismatch Report	FSA048 ((13), (16) and (18))	FSA048 ((13), (16) and (18))	FSA048 ((13), (16) and (18))	FSA048 ((13), (15), (16) and (18))	FSA048 ((13), (15), (16) and (18))	-	-
Memorandum items	PRA 108 (2)	PRA 108 ((2),(22))	PRA 108 (2)	-	-	-	-
Intragroup exposures	=	RFB001 (24)	=	=	=	=	=
Intragroup funding	=	RFB002 (24)	=	=	=	=	=
Intragroup financial reporting (core)	=	RFB003 (24)	=	=	=	=	=
Intragroup financial reporting (detailed breakdown)	=	RFB004 (24)	=	=	=	=	=
Joint and several liability arising from taxes	=	RFB005 (25)	=	=	=	=	=
Excluded activity entities	=	RFB006 (25)	=	=	=	=	=
Use of financial market infrastructures	=	RFB007 (25)	=	=	=	=	=
Excluded activities and prohibitions	=	RFB008	=	=	=	=	=

...

(22) Ring-fenced bodies within a sub-consolidation group must also submit the data item on a sub-consolidated basis.

(23) Ring-fenced bodies that are within a sub-consolidation group must submit this data item at the UK consolidation group level and on a sub-consolidated basis only. Ring-fenced bodies that are not within a sub-consolidation group but are within a UK consolidation group must submit this data item at the UK consolidation group level only.

(24) Ring-fenced bodies within a sub-consolidation group must submit the data item on a sub-consolidated basis only.

(25) The data item may be submitted by a single ring-fenced body in a sub-consolidation group.

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.

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 or, as applicable, defined liquidity group or sub-consolidation group basis, as applicable)	Other members of RAG 1
...				
RFB001	Quarterly (2)		Quarterly (2)	-
RFB002	Quarterly (2)		Quarterly (2)	-
RFB003	Quarterly (11)		Quarterly (11)	-
RFB004	Annually (11)		Annually (11)	-
RFB005	Annually		-	-
RFB006	Annually (2)		-	-
RFB007	Annually (2)		-	-
RFB008	Annually (2)		-	-

...

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
...						
FSA005	-	-	-	20 business days	45 business days (6)	-
...						
FSA017	-	-	-	20 business days	45 business days (6)	-
...						
FSA045	-	-	-	20 business days	45 business days (6)	-
...						
RFB001	-	-	-	30 business	-	-

				<u>days (7)</u>		
<u>RFB002</u>	=	=	=	<u>30 business days (7)</u>	=	=
<u>RFB003</u>	=	=	=	<u>30 business days (7)</u>	=	=
<u>RFB004</u>	=	=	=	=	=	<u>45 business days (7)</u>
<u>RFB005</u>	=	=	=	=	=	<u>45 business days (7)</u>
<u>RFB006</u>	=	=	=	=	=	<u>45 business days (7)</u>
<u>RFB007</u>	=	=	=	=	=	<u>45 business days (7)</u>
<u>RFB008</u>	=	=	=	=	=	<u>45 business days (7)</u>

...

(6) A ring-fenced body's first submission of the data item on a sub-consolidated basis must relate to a period starting on the date that the firm became subject to the Ring-fenced Bodies Part of the PRA Rulebook.

(7) A ring-fenced body's first submission of the data item must relate to a period starting on the date that the firm became subject to the Ring-fenced Bodies Part of the PRA Rulebook.

13 PRUDENT VALUATION REPORTING

...

13.3A If a firm is a ring-fenced body within a sub-consolidation group it must also comply with 13.2 on a sub-consolidated basis.

...

16 DATA ITEMS AND OTHER FORMS

...

16.32 RFB001 can be found [here](#).

16.33 RFB002 can be found [here](#).

16.34 RFB003 can be found [here](#).

16.35 RFB004 can be found [here](#).

16.36 RFB005 can be found [here](#).

16.37 RFB006 can be found [here](#).

16.38 RFB007 can be found [here](#).

16.39 RFB008 can be found [here](#).

17 COMPLIANCE REPORTS

...

17.2 A *firm other than a ring-fenced body* must submit to the *PRA* the duly completed *data items* described in and in accordance with the following table, which sets out:

- (1) the applicable *data items*;
- (2) the applicable reporting frequencies for submission of *data items*; and
- (3) the applicable due dates for submission. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period.

...

17.3 A *ring-fenced body* must submit to the *PRA* the following *data items*:

- (1) a list of all *overseas regulators* for each legal entity in the *ring-fenced body's group*; and
- (2) a single organogram which sets out:
 - (a) each *authorised person* in the *ring-fenced body's group*;
 - (b) each *subsidiary of any ring-fenced body* within the *group* that is not an *authorised person*;
 - and
 - (c) each *person* that is not an *authorised person* in the *ring-fenced body's sub-consolidation group*.

17.4 The *data items* referred to in 17.3 must be submitted by a *ring-fenced body* annually within 6 months after its *accounting reference date*.

17.5 A single *ring-fenced body* may submit the *data items* referred to in 17.3 if its *group* contains more than one *ring-fenced body*.

...

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 and 3 at Annexes III and IV of the *Supervisory Reporting ITS*;
- (2) PRA104;
- (3) PRA105;
- (4) PRA106; ~~and~~
- (5) PRA107;~~;~~
- (6) RFB003; and
- (7) RFB004.

...

20 CAPITAL+ REPORTS

...

20.6 A *firm* satisfies *Capital+ condition 1*:

- (1) if the *firm* is a *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 *parent financial holding company in a Member State*, a *parent mixed financial holding company in a Member State* or a *parent institution in a Member State* and the *PRA* is responsible for supervision of that holding company or *parent institution in a Member State* on a *consolidated basis* under Article 111 of the *CRD*, 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 holding company or *parent institution in a Member State*; ~~or~~
- (3) if the *firm* is not part of a *consolidation group*, where it has *retail deposits* equal to or greater than £50 billion and *total assets* equal to or greater than £320 billion on an individual basis; ~~or~~ or
- (4) if the *firm* is a *ring-fenced body* that is part of a *sub-consolidation group*, where it has *retail deposits* equal to or greater than £50 billion and *total assets* equal to or greater than £320 billion on a *sub-consolidated basis*.

...

20.8 A *firm* satisfies *Capital+ condition 3*:

- (1) if the *firm* is a *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 *parent financial holding company in a Member State*, a *parent mixed financial holding company in a Member State* or a *parent institution in a Member State* and the *PRA* is responsible for supervision of that holding company or *parent institution in a Member State* on a *consolidated basis* under Article 111 of the *CRD*, 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 holding company or *parent institution in a Member State*; ~~or~~
- (3) if the *firm* is not part of a *consolidation group*, where it has *retail deposits* greater than £50 billion and *total assets* greater than £5 billion but less than £320 billion on an individual basis; or
- ~~(4) if the *firm* is a *ring-fenced body* that is part of a *sub-consolidation group*, 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 a *sub-consolidated basis*.~~

...

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 *parent institution in a Member State*, on the basis of its *consolidated situation*; or
 - (b) if the *firm* is controlled by a *parent financial holding company in a Member State*, a *parent mixed financial holding company in a Member State* or a *parent institution in a Member State* and the *PRA* is responsible for supervision of that holding company or *parent institution in a Member State* on a *consolidated basis* under Article 111 of the *CRD*, on the basis of the *consolidated situation* of that holding company or *parent institution in a Member State*; and
- (3) does not satisfy *Capital+ condition 1* on the basis of 20.6(1) or 20.6(2) or ~~or~~ *Capital+ condition 3* on the basis of 20.8(1) or 20.8(2).

20.10A A *firm* satisfies *Capital+ condition 5* if it is a *ring-fenced body* that is part of a *sub-consolidation group* and has *total assets* greater than £5 billion on a *sub-consolidated basis* and does not satisfy *Capital+ condition 1* on the basis of 20.6(4) or *Capital+ condition 3* on the basis of 20.8(4).

...

20.21 The *Capital+ reporting table* below sets out, in respect of the requirements to submit *data items* in this Chapter:

- (1) in column (1), the *Capital+ conditions* to which the obligations to submit *data items* relate;
- (2) in column (2), the *data items* which must be submitted by a *firm* where the *firm* meets any *Capital+ condition* set out in column (1);

- (3) in column (3), the frequency at which a *firm* must submit each *data item*;
- (4) in column (4), the due date for submission of each *data item*, being the last day of the period starting from the end of each frequency period and ending with the number of *business days* set out in column (4); and
- (5) in column (5), the rule which sets out the basis or bases on which each *data item* must be completed.

Capital+ reporting table

Column 1 (Capital+ condition)	Column 2 (data item)	Column 3 (frequency)	Column 4 (due date)	Column 5 (rules which sets out basis <u>or</u> bases on which data item should be completed)
Capital+ condition 1	PRA101	Monthly	15 <i>business days</i>	20.22, 20.22A
Capital+ condition 2	PRA101	Monthly	15 <i>business days</i>	20.23
Capital+ condition 3	PRA101	Quarterly	15 <i>business days</i>	20.22, 20.22A
Capital+ condition 4	PRA101	Quarterly	15 <i>business days</i>	20.23
Capital+ condition 5	PRA102	Half yearly	30 <i>business days</i>	20.24, 20.22A
Capital+ condition 6	PRA102	Half yearly	30 <i>business days</i>	20.23
Capital+ condition 7	PRA103	Annually	30 <i>business days</i>	20.24
Capital+ condition 8	PRA103	Annually	30 <i>business days</i>	20.23

20.22 Where a *firm* is required to submit a *data item* in accordance with this rule, that *data item* should be completed:

- (1) if the *firm* is not part of a *consolidation group* and the *firm* satisfies *Capital+ condition 1* on the basis of 20.6(3) or *Capital+ condition 3* on the basis of 20.8(3), on an individual basis;
- (2) if the *firm* is a *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 *parent financial holding company in a Member State*, a *parent mixed financial holding company in a Member State* or a *parent institution in a Member State* and the PRA is responsible for supervision of that holding company or *parent institution in a Member State* on a *consolidated basis* under Article 111 of the CRD 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 *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 *parent institution 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 *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 *parent financial holding company in a Member State*, a *parent mixed financial holding company in a Member State* or a *parent institution in a Member State* and the *PRA* is responsible for supervision of that holding company or *parent institution in a Member State* on a *consolidated basis* under Article 111 of the *CRD* 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 *parent institution in a Member State*.

...

Annex B**Amendments to the Notifications Part**

In this Annex, new text is underlined.

Part**Notifications****Chapter content**

1. APPLICATION AND DEFINITIONS
2. GENERAL NOTIFICATION REQUIREMENTS
3. LLOYD'S OF LONDON
4. NOTIFIED PERSONS
5. CORE INFORMATION REQUIREMENTS
6. INACCURATE, FALSE OR MISLEADING INFORMATION
7. FORM AND METHOD OF NOTIFICATION
8. SPECIFIC NOTIFICATIONS
9. FINANCIAL CONGLOMERATE NOTIFICATIONS
10. FORMS
11. CONDUCT RULES: NOTIFICATIONS
12. RING-FENCING NOTIFICATIONS

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

Core Activities Order

means the Financial Services and Markets Act 2000 (Ring-fenced Bodies and Core Activities) Order 2014 (SI 2014/1960).

core deposit

has the meaning given in Article 1(3) of the *Core Activities Order*.

core deposit level condition

means the condition referred to in Articles 11(1)(d) and 12 of the *Core Activities Order*.

...

exposure

has the meaning in Article 1(4) of the *Excluded Activities and Prohibitions Order*.

...

financial institution exposure

has the meaning in Article 1(4) of the *Excluded Activities and Prohibitions Order*.

...

relevant group member

means a member of a *group* that is a *UK bank* and does not carry out *insurance business* acting as principal in accordance with a *Part 4A permission*.

...

12 RING-FENCING NOTIFICATIONS

12.1 This Chapter applies to *UK banks* that do not carry out *insurance business* acting as principal in accordance with a *Part 4A permission*.

12.2 A *firm* must notify the *PRA* within 30 days after it becomes aware, or has information which reasonably suggests, that any of the following has occurred:

(1) if the *firm* is not in a *group*, its total *core deposits*:

(a) have increased over £25 billion; or

(b) have decreased to less than or equal to £25 billion,

(2) if the *firm* is in a *group*, the sum of *core deposits* of all *relevant group members*:

(a) has increased over £25 billion; or

(b) _____ has decreased to less than or equal to £25 billion.

- 12.3 A firm must notify the PRA promptly, but in any event within 30 days, if it reasonably expects or has information that reasonably suggests that it will cease to meet or that it will start to meet the *core deposit level condition* within the next three years.
- 12.4 A ring-fenced body must notify the PRA within 30 days after acquiring shares under an exception in Article 6(4)(e) of the *Excluded Activities and Prohibitions Order* or after disposing of shares held under one of those exceptions.
- 12.5 A ring-fenced body must notify the PRA within 30 days after using the exception provided for in Article 6(4)(f) of the *Excluded Activities and Prohibitions Order*.
- 12.6 The notification in 12.5 must specify the product type and the value of any relevant investments.
- 12.7 A ring-fenced body must notify the PRA within 30 days after the date on which it becomes aware that an *exposure* is a *financial institution exposure* which would be prohibited but for the exception provided for in Article 19B of the *Excluded Activities and Prohibitions Order*.
- 12.8 The notification in 12.7 must specify:
- (a) the date on which the *exposure* became a *financial institution exposure*; and
 - (b) the value of the *financial institution exposure*.
- 12.9 A ring-fenced body must notify the PRA within 30 days after closing a *financial institution exposure* which would be prohibited but for the exception provided for in Article 19B of the *Excluded Activities and Prohibitions Order*.

Annex C

Amendments to the Reporting Pillar 2 Part

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

...

4 DATA ITEMS

4.1 FSA071 can be found ~~here~~ [here](#).

...

Annex D

Amendments to the Ring-fenced Bodies Part

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

1 APPLICATION AND DEFINITIONS

...

central securities depository

has the meaning set out in Article 2.1(1) of Regulation (EU) No 909/2014, and includes a 'securities settlement system' as defined in that regulation.

...

Excluded Activities and Prohibitions Order

~~means the Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014 (SI 2014/2080).~~

...

FMI

means any of the following: an interbank payment system, a central securities depository or a central counterparty.

...

interbank payment system

has the meaning in Article 13(11) of the Excluded Activities and Prohibitions Order.

...

liquid asset exception

means:

- (1) in relation to an excluded activity, the exception provided for in Article 6(3)(a) of the *Excluded Activities and Prohibitions Order*, or
- (2) in relation to a prohibition, the exceptions provided for in Article 14(3A) and Article 18(b) of the *Excluded Activities and Prohibitions Order*.

...

participant

has the meaning set out in Article 2.1(19) of Regulation (EU) No 909/2014.

...

related undertaking

has the meaning in Article 1(4) of the Excluded Activities and Prohibitions Order.

...

~~sub-consolidation group~~

means the ~~undertakings~~ included in the scope of consolidation as a result of a requirement imposed on a ~~ring-fenced body~~ under Article 11(5) of *CRR*.

...

9 CONTINUITY OF PROVISION OF SERVICES

9.1 (1) Where a *ring-fenced body* receives services and accesses facilities that it requires on a regular basis from an entity in its *group*, it may do so, whether directly or indirectly, only where that entity is a *permitted supplier*.

(2) (1) does not apply to the extent the *group* member is:

(a) a direct *participant* in an *FMI*; and

(b) acting as an intermediary for the *ring-fenced body* to access the *FMI*.

(3) For the avoidance of doubt:

(a) the definition of *central counterparty* applies for the purposes of this Chapter whether or not the *central counterparty* is regulated by Regulation (EU) No. 648/2012, or is established in an *EEA state* or elsewhere; and

(b) the definitions of *central securities depository* and *participant* apply for the purposes of this Chapter whether or not the *central securities depository* or *participant* is regulated by Regulation (EU) No. 909/2014, or is established in an *EEA state* or elsewhere.

...

16 ACCESS TO CENTRAL COUNTERPARTIES AND CENTRAL SECURITIES DEPOSITORIES

16.1 This Chapter applies if a *ring-fenced body* accesses the services of:

(1) a *central counterparty* whether as a *clearing member* or otherwise; or

(2) a ~~central securities depository~~ *central securities depository* whether as a ~~participant~~ *participant* or otherwise.

16.2 In this Chapter:

(1) ~~central securities depository~~ has the meaning set out in Article 2.1(1) of Regulation (EU) No 909/2014, and includes a 'securities settlement system' as defined in that regulation;

(2) ~~participant~~ has the meaning set out in Article 2.1(19) of Regulation (EU) No 909/2014; and

(3) ~~for the avoidance of doubt:~~

(a)(1) the definitions of *central counterparty* and *clearing member* apply for the purposes of this Chapter whether or not the *central counterparty* or *clearing member* is regulated by Regulation (EU) No. 648/2012, or is established in an *EEA state* or elsewhere; and

(b)(2) the definitions of ~~central securities depository~~central securities depository and ~~participant~~participant apply for the purposes of this Chapter whether or not the ~~central securities depository~~central securities depository or ~~participant~~participant is regulated by Regulation (EU) No. 909/2014, or is established in an *EEA state* or elsewhere.

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~~central securities depository not established in an *EEA state* or any part of whose operations are not subject to the law of an *EEA state*, 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.

...

16.6 If a *ring-fenced body* accesses the services of a ~~central securities depository~~central securities depository as a ~~participant~~participant, it must ensure any assets held for its account at the ~~central securities depository~~central securities depository are distinguished in accounts at the ~~central securities depository~~central securities depository from the assets held for the account of any other ~~participant~~participant and of the ~~central securities depository~~central securities depository.

16.7 If a *ring-fenced body* accesses the services of a ~~central securities depository~~central securities depository through a ~~participant~~participant, it must ensure any assets held for its account are distinguished:

- (1) in accounts at the ~~central securities depository~~central securities depository from the assets held for the account of the ~~participant~~participant and of all other clients of that ~~participant~~participant; and
- (2) in accounts at the ~~participant~~participant from the assets held for the account of the ~~participant's~~participant's other clients and of the ~~participant~~participant.

17 POLICIES REGARDING USE OF EXCEPTIONS TO EXCLUDED ACTIVITIES AND PROHIBITIONS

17.1 For each *exception* separately, a *ring-fenced body* must establish, implement and maintain an effective policy that sets out at least the following:

...

- (3) how the *ring-fenced body* determines that the sole or main purpose of an *exception transaction* is:
 - (a) for a *hedging exception transaction*, to limit the extent to which:
 - (i) the *ring-fenced body*,
 - (ii) any *subsidiary undertaking* of the *ring-fenced body*,
 - (iii) any *sponsored structured finance vehicle* of the *ring-fenced body*,
 - (iv) any *conduit vehicle* of the *ring-fenced body*, or

(v) another ring-fenced body within the same group as the ring-fenced body.

(vi) a related undertaking within the same group as the ring-fenced body, or

(~~vii~~) any combination of the *undertakings* referred to in (i) to (iv)

will be adversely affected by the *specified factor*;

...

17.3 In addition to 17.1, a *ring-fenced body* must set out in its *hedging exceptions policy* separately for each *specified factor*:

(1) how the business of:

(a) the *ring-fenced body*;

(b) any *subsidiary undertaking* of the *ring-fenced body*;

(c) any *sponsored structured finance vehicle* of the *ring-fenced body*;

(d) any *conduit vehicle* of the *ring-fenced body*; ~~or~~

(e) another ring-fenced body within the same group as the ring-fenced body.

(f) a related undertaking within the same group as the ring-fenced body, or

(~~g~~) any combination of the *undertakings* referred to in (a) to (~~f~~)

results in exposures to the *specified factor*;

...

Annex E

Amendments to the Glossary

In the Glossary Part of the PRA Rulebook, insert the following new definitions:

...

Excluded Activities and Prohibitions Order

means the Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014 (SI 2014/2080).

...

sub-consolidation group

means the *undertakings* included in the scope of consolidation as a result of a requirement imposed on a *ring-fenced body* under Article 11(5) of *CRR*.

Externally defined glossary terms

Term	Definition source
<i>central counterparty</i>	Article 4(1)(34) CRR
<i>clearing member</i>	Article 300(3) CRR
<i>ring-fenced body</i>	Section 417(1) FSMA
<i>sub-consolidated basis</i>	Article 4(1)(49) CRR

**PRA RULEBOOK: CRR FIRMS: LIQUIDITY REGULATORY REPORTING (AMENDMENT)
INSTRUMENT 2017**

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Liquidity Regulatory Reporting (Amendment) Instrument 2017

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

Commencement

- E. This instrument comes into force on Monday 27th February 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Liquidity Regulatory Reporting (Amendment) Instrument 2017

By order of the Board of the Prudential Regulation Authority

21 February 2017

Annex A

Amendments to the Glossary

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

...

~~whole-firm liquidity modification~~

~~means a modification to the overall liquidity adequacy rule of the kind described in BIPRU 12.8.22G in the PRA handbook as in effect on 30 September 2015 granted to a firm and in effect on that date.~~

...

Annex B

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)						
	UK bank	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 office, its head office) outside the EU	[deleted]	Dormant account fund operated
...						
Daily Flows	FSA047 ((13), (16) and (18))	FSA047 ((13), (16) and (18))	FSA047 ((13), (15), (16) and (18))	FSA047 ((13), (15), (16) and (18))	-	-
Enhanced Mismatch Report	FSA048 ((13), (16) and (18))	FSA048 ((13), (16) and (18))	FSA048 (Notes 13, 15, 16 and 18)	FSA048 (Notes 13, 15, 16 and 18)	-	-

...

13) 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 ~~(including on the basis of the *firm's* UK branch)~~. Therefore even if it has an *individual consolidation permission* it must complete the item on an unconsolidated basis by reference to the *firm* alone.

...

...

(15) ~~(a) If the firm has a whole-firm liquidity modification it must complete this item on the basis of the whole firm (or at any other reporting level the whole-firm liquidity modification may require) and not just its UK branch.~~~~[deleted]~~

~~(b) If the firm does not have a whole-firm liquidity modification, there is no obligation to report this item.~~

...

(18) Unless otherwise stated in the relevant modification, any changes to reporting requirements caused by a firm receiving an *intra-group liquidity modification* ~~or a whole-firm 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*, ~~whole-firm 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.

...

(4) (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) If the firm has a whole-firm liquidity modification (a) does not apply and instead the frequency of individual reporting is quarterly (or whatever other frequency the whole-firm liquidity modification requires).~~

...

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.

...

(5) It is one *month* if the report relates to a *non-UK DLG by modification* ~~or the firm has a whole-firm liquidity modification~~.

**PRA RULEBOOK: SOLVENCY II FIRMS: OWN FUNDS
(NOTIFICATION OF ISSUANCE – AMENDMENTS) INSTRUMENT 2017**

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Solvency II Firms: Own Funds (Notification of Issuance – Amendments) Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 March 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Own Funds (Notification of Issuance – Amendments) Instrument 2017

By order of the Board of the Prudential Regulation Authority

21 February 2017

Annex

Amendments to the Own Funds Part

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

...

5 NOTIFICATION OF ISSUANCE OF OWN FUNDS ITEMS

...

5.4 If a *firm* proposes to establish or amend a debt securities programme for the issue of an item for inclusion within its *basic own funds*, it must:

(1) notify the *PRA* of the establishment of the programme or of the proposed amendment to the programme; and

(2) provide the information required by 5.2(2)

at least one *month* before ~~the~~ any proposed drawdown. The *PRA* must be notified of any changes in accordance with 5.3.

...

5.6 A *firm* must notify the *PRA* in writing, no later than the date of issue, of its intention to issue an item listed in 5.5 which it intends to include within its *basic own funds*. When giving notice, a *firm* must:

(1) provide the information set out in 5.2 other than 5.2(2)(c) (draft terms and conditions), 5.2(2)(d) (draft legal opinion) and 5.2(2)(e) (draft accounting opinion); and

(2) for issuance of an item pursuant to 5.5(1) or 5.5(3), confirm that the terms of the item have not changed since the previous issue by the *firm* of that type of item of *basic own funds*.

...

5.8 A *firm* must provide to the *PRA* as soon as practicable after the issuance of an item of *basic own funds* to which 5.2, ~~or~~ 5.4, 5.5(2) or 5.5(3) applies:

(1) a finalised copy of the draft legal opinion referred to in 5.2(2)(d);

(2) a finalised copy of the draft accounting opinion referred to in 5.2(2)(e) if applicable;

(3) a copy of the instrument's final terms and conditions; and

(4) a reasoned basis for the choice of coupon structure and any other provision that might suggest an incentive to redeem.

**PRA RULEBOOK: SOLVENCY II FIRMS: GROUP SUPERVISION
(NOTIFICATION OF ISSUANCE – AMENDMENTS) INSTRUMENT 2017**

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Solvency II Firms: Group Supervision (Notification of Issuance – Amendments) Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 March 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Group Supervision (Notification of Issuance – Amendments) Instrument 2017.

By order of the Board of the Prudential Regulation Authority

21 February 2017

Annex

Amendments to the Group Supervision Part

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

...

6 GROUP SOLVENCY: NOTIFICATION OF ISSUANCE OF OWN FUNDS ITEMS BY GROUP MEMBER

...

6.6 A *firm* must notify the *PRA* in writing, no later than the date of issue, of the intention of the *undertaking* in the *group* to issue an item listed in 6.5 which it intends to include within the *basic own funds* forming the *own funds eligible for the group SCR*. When giving notice, a *firm* must:

(1) provide the information set out in 6.2(2) other than 6.2(2)(c) (draft terms and conditions), 6.2(2)(f) (draft legal opinion) and 6.2(2)(g) (draft accounting opinion); and

(2) for the issue of an item pursuant to 6.5(1) or 6.5(3), confirm that the terms of the item have not changed since the previous issue of that type of item of *basic own funds* by that *undertaking*.

...

6.8 A *firm* must provide to the *PRA* as soon as practicable after it becomes aware of the issuance of an item of *basic own funds* by an *undertaking* in its *group* to which 6.2, ~~or~~ 6.4, 6.5(2) or 6.5(3) applies:

(1) a finalised copy of the draft legal opinion referred to in 6.2(2)(f);

(2) a finalised copy of the draft accounting opinion referred to in 6.2(2)(g) if applicable;

(3) a copy of the instrument's final terms and conditions; and

(4) a reasoned basis for the choice of coupon structure and any other provision that might suggest an incentive to redeem.

PRA RULEBOOK: NON-SOLVENCY II FIRMS: INSURANCE COMPANIES - CAPITAL RESOURCES (NOTIFICATION OF ISSUANCE – AMENDMENTS) INSTRUMENT 2017

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Non-Solvency II Firms: Insurance Companies – Capital Resources (Notification of Issuance – Amendments) Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 March 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Non-Solvency II Firms: Insurance Companies – Capital Resources (Notification of Issuance – Amendments) Instrument 2017.

By order of the Board of the Prudential Regulation Authority

21 February 2017

Annex

Amendments to the Insurance Company – Capital Resources Part

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

...

3 NOTIFICATION OF ISSUANCE OF CAPITAL INSTRUMENTS

...

3.7 A *firm* must provide to the *PRA* as soon as practicable after the issuance of a *capital instrument* to which 3.2 or 3.4(2) applies:

(1) a finalised copy of the draft legal opinion referred to in 3.2(4); and

(2) a copy of the instrument's final terms and conditions.

PRA RULEBOOK: NON-CRR FIRMS: CREDIT UNIONS AMENDMENTS INSTRUMENT 2017

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Non-CRR Firms: Credit Unions Amendments Instrument 2017

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

Commencement

- E. This instrument comes into force on 27 February 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Non-CRR Firms: Credit Unions Amendments Instrument 2017.

By order of the Board of the Prudential Regulation Authority

21 February 2017

Annex

Amendments to the Credit Unions 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:

additional activity

means an additional activity carried out or additional service provided by a *credit union* as described in 3.3, 3.5, Chapter 4, 6.4 or Chapter 7.

...

3 LENDING

...

3.2 Subject to 3.3, a *credit union* must not ~~hold~~ make:

- (1) an *unsecured loan* that is repayable within more than five years from the date of its provision; or
- (2) a *secured loan* that is repayable within more than ten years from the date of its provision.

3.3 ~~A *credit union* must not make a loan that is repayable within more than ten years from its provision, in relation to an *unsecured loan*, and 25 years, in relation to a *secured loan*, unless the *credit union* complies with 10.3.~~

If a *credit union* complies with 10.3, it may make:

- (1) an *unsecured loan* that is repayable within ten years from the date of its provision; or
- (2) a *secured loan* that is repayable within 25 years from the date of its provision.

...

6 INVESTMENT

...

6.3 ~~Subject to 6.4, a~~ A *credit union* must not hold *investments*, save that it may hold an *investment* that is:

...

- (3) a sterling-denominated security issued by the government of an *EEA State*, with a *maturity* of up to twelve months from the date on which that *investment* is made; ~~or~~
- (4) a fixed-interest sterling-denominated security guaranteed by the government of an *EEA State*, 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
- (5) described in 6.4, where the *credit union* meets the conditions set out therein.

6.4 ~~If a~~ A *credit union* complies with 10.3, it may hold an *investment* that is that holds an *investment* set out below must at all times while holding such *investment* comply with 10.3:

- (1) ~~a deposit placed with a credit institution which is authorised in an EEA State 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; [deleted.]~~

...

PRA RULEBOOK: SOLVENCY II FIRMS AND NON-AUTHORISED PERSONS: EXTERNAL AUDIT AMENDMENTS INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority ("PRA") makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):
- (1) section 137G (The PRA's general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) section 340 (rules regarding appointment of and duties on Actuaries and Auditors).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

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

PRA Rulebook: Solvency II Firms and Non-Authorised Persons: External Audit Amendments Instrument 2017

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

Commencement

- E. This instrument comes into force on 27 February 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms and Non-Authorised Persons: External Audit Amendments Instrument 2017.

By order of the Board of the Prudential Regulation Authority

21 February 2017

Annex

Amendments to the External Audit 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 supervisor

means (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

4.1 Subject to 4.2, an external auditor appointed by a *firm* or *relevant insurance group undertaking* pursuant to 3 must:

...

(3) read and consider all information disclosed by the *firm* in its *SFCR* that is not a *relevant element of the SFCR* to identify material inconsistencies with the *relevant elements of the SFCR* and any knowledge obtained ~~and other information to which the auditor has had access~~ during the course of the audit of the *SFCR* engagement and (where applicable) audit of the financial statements.

...

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

...

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* relating to that *undertaking* from information provided by *undertakings* in the *group* and the *relevant insurance group undertaking*.

...

**PRA RULEBOOK: SOLVENCY II FIRMS: GROUP SUPERVISION
(NOTIFICATION OF ISSUANCE – AMENDMENTS) (NO.2) INSTRUMENT 2017**

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Solvency II Firms: Group Supervision (Notification of Issuance – Amendments) (NO.2) Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 March 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Group Supervision (Notification of Issuance – Amendments) (NO.2) Instrument 2017.

By order of the Board of the Prudential Regulation Authority

21 February 2017

Annex

Amendments to the Group Supervision Part

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

...

6 GROUP SOLVENCY: NOTIFICATION OF ISSUANCE OF OWN FUNDS ITEMS BY GROUP MEMBER

...

6.5 ...

(3) any item which is ~~not materially different in terms of its characteristics and eligibility for inclusion in a particular tier of *basic own funds* to items previously issued by the *undertaking* in the *group* and included in the *basic own funds* forming the *own funds eligible for the group SCR*.~~ to be issued on identical terms to one or more items included in the *basic own funds* forming the *own funds eligible for the group SCR* issued by the *undertaking* in the *group* within the previous twelve months and notified to the PRA in accordance with 6.2, excluding (1) the issue date, (2) the maturity date, (3) the amount of the issuance, (4) the currency of the issuance, and (5) the rate of interest payable by the issuer.

**PRA RULEBOOK: SOLVENCY II FIRMS: OWN FUNDS
(NOTIFICATION OF ISSUANCE – AMENDMENTS) (NO.2) INSTRUMENT 2017**

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Solvency II Firms: Own Funds (Notification of Issuance – Amendments) (NO.2) Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 March 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Own Funds (Notification of Issuance – Amendments) (NO.2) Instrument 2017

By order of the Board of the Prudential Regulation Authority

21 February 2017

Annex

Amendments to the Own Funds Part

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

...

5 NOTIFICATION OF ISSUANCE OF OWN FUNDS ITEMS

...

5.5 ...

(3) any item which is ~~not materially different in terms of its characteristics and eligibility for inclusion in a particular tier of *basic own funds* to items previously issued by the *firm* and included in *basic own funds*, to be issued on identical terms to one or more items included in *basic own funds* issued by the *firm* within the previous twelve months and notified to the PRA in accordance with 5.2, excluding (1) the issue date, (2) the maturity date, (3) the amount of the issuance, (4) the currency of the issuance, and (5) the rate of interest payable by the issuer.~~

PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS: HOUSING INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority 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 (Rule-making instrument) of the Act.

Pre-conditions to making

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

PRA Rulebook: CRR Firms, Non CRR Firms: Housing Instrument 2017

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

Commencement

- E. The Annex to this instrument comes into force on 27 February 2017

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms, Non CRR Firms: Housing Instrument 2017.

By order of the Board of the Prudential Regulation Authority
8 February 2017

Annex

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

Part

HOUSING

Chapter content

- 1. APPLICATION AND DEFINITIONS**
- 2. HIGH LOAN TO INCOME ALLOWANCE**

Links

1 APPLICATION AND DEFINITIONS

...

1.11 In this Part the following definitions apply:

...

relevant period

means, in relation to a quarter, the quarter and the three consecutive quarters preceding it.

...

2 HIGH LOAN TO INCOME ALLOWANCE

2.1 Unless 2.3 or 2.4 apply, a *firm* must ensure that by the end of each quarter in which this Part applies the number of high loan to income mortgage contracts it enters into in a quarter the relevant period does not exceed 15% of all regulated mortgage contracts it enters into in that quarter relevant period.

...

2.3 A *firm* that has allocated any part of its high loan to income allowance to another member of the *group* must ensure that the number of *high loan to income mortgage contracts* it enters into in ~~a quarter~~ the relevant period does not exceed the amount specified in 2.1, as reduced by the amount of the high loan to income allowance it has allocated under 2.2.

2.4 A *firm* that is part of a *group* must ensure that the number of *high loan to income mortgage contracts* it enters into in ~~a quarter~~ the relevant period does not exceed the amount specified in 2.1, plus any high loan to income allowance allocated to it under 2.2.

...

2.5 In this chapter, a high loan to income allowance is the number of *high loan to income mortgage contracts* a *firm* may enter into in ~~a quarter~~ the relevant period in compliance with 2.1 without the modifications in 2.3 or 2.4 applied

**PRA RULEBOOK: NON AUTHORISED PERSONS: FSCS MANAGEMENT EXPENSES LEVY
LIMIT AND BASE COSTS INSTRUMENT 2017**

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 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 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: Non Authorised Persons: FSCS Management Expenses Levy Limit and Base Costs Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 April 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Non Authorised Persons: FSCS Management Expenses Levy Limit and Base Costs Instrument 2017.

By order of the Prudential Regulation Committee

21 March 2017

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 2016 to 31 March 2017~~ 1 April 2017 to 31 March 2018 of the *deposit guarantee scheme*, the *dormant account scheme* or the *policyholder protection scheme* may not exceed ~~£72,694,000~~ £74,540,000 less whatever *management expenses levies* the FSCS has imposed in accordance with *FCA compensation scheme rules* attributable to that period.

**PRA RULEBOOK: CRR FIRMS; NON-CRR FIRMS: THIRD COUNTRY BRANCHES
(WHISTLEBLOWING) INSTRUMENT 2017**

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: CRR Firms; Non-CRR Firms: Third Country Branches (Whistleblowing) Instrument 2017

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

Commencement

- E. This instrument comes into force on 7 September 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms; Non-CRR Firms: Third Country Branches (Whistleblowing) Instrument 2017.

By order of the Prudential Regulation Committee

21 March 2017

Annex A

Amendments to General Organisational Requirements Part

In this Annex, new text is underlined.

....

2A WHISTLEBLOWING

...

2A.7

If

- (1) the firm is a subsidiary of a third country firm; and
- (2) the third country firm also carries on regulated activities from an establishment in the UK;

the firm must provide information to the third country firm in the UK on the channel in 2A.2 and make the channel available to workers in the third country firm's UK establishment.

Part

GENERAL ORGANISATIONAL REQUIREMENTS

Externally defined glossary terms:

Term	Definition source
<i>person</i>	<i>Sch 1 Interpretation Act 1978</i>
<i>regulated activity</i>	<i>s22 FSMA</i>
<i>subsidiary</i>	<i>s420(2) FSMA</i>

Annex B

Amendment to Internal Governance of Third Country Branches Part

In this Annex, new text is underlined.

1 APPLICATION AND DEFINITIONS

...

1.3 In this Part, the following definitions shall apply:

...

protected disclosure

means a qualifying disclosure as defined in section 43B of the Employment Rights Act 1996 made by a worker in accordance with sections 43C to 43H of the Employment Rights Act 1996.

staff disclosure channel

means the arrangements described in General Organisational Requirements 2A.2.

...

worker

has the meaning as defined by section 230(3) of the Employment Rights Act 1996 and as extended under section 43K of the Employment Rights Act 1996.

1.4 In this Part, a reference to a provision of the Employment Rights Act 1996 includes a reference to the corresponding provision of the Employment Rights (Northern Ireland) Order 1996.

...

2A WHISTLEBLOWING

2A.1 A firm must inform all workers:

- (1) that they may disclose directly to the PRA or to the FCA anything that would be the subject-matter of a protected disclosure;
- (2) of what would constitute a protected disclosure;
- (3) that the PRA or the FCA are prescribed persons under section 43F of the Employment Rights Act 1996 and the effect of making a protected disclosure to the PRA or to the FCA; and
- (4) of the means available to make a protected disclosure to the PRA or the FCA.

2A.2 If the firm:

- (1) is a member of a group which includes a CRR firm; and
- (2) the CRR firm is subject to General Organisations Requirements 2A;

the firm must inform all its workers in the UK of the CRR firm's staff disclosure channel and explain that the staff disclosure channel is available to them.

Part

INTERNAL GOVERNANCE OF THIRD COUNTRY BRANCHES

Externally defined glossary terms

Term	Definition source
<i>group</i>	<i>S 421 FSMA</i>
<i>person</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>rule</i>	<i>S417 FSMA</i>

**PRA RULEBOOK: SOLVENCY II FIRMS: THIRD COUNTRY BRANCHES (WHISTLEBLOWING)
INSTRUMENT 2017**

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Solvency II Firms: Third Country Branches (Whistleblowing) Instrument 2017

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

Commencement

- E. This instrument comes into force on 7 September 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Third Country Branches (Whistleblowing) Instrument 2017.

By order of the Prudential Regulation Committee

21 March 2017

Annex

Amendments to Whistleblowing Part

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

Part

WHISTLEBLOWING

Chapter content

- 1. APPLICATION AND DEFINITIONS**
- 2. WHISTLEBLOWING**
- 3. LLOYDS**
- 4. THIRD COUNTRY BRANCHES**

Links

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 3 ~~and~~;
- (3) in accordance with Insurance General Application 3, *managing agents*, as modified by 3; and
- (4) a *third country branch undertaking*, in accordance with 4.

...

2 WHISTLEBLOWING

...

2.5 A *firm* must ensure that nothing in its arrangements prevents or discourages any *worker* from making any disclosure to the *PRA* or the *FCA* before making the disclosure through the channel referred to in 2.1.

...

4 THIRD COUNTRY BRANCHES

4.1 This Chapter only applies to a *third country branch undertaking*.

4.2 2.1 to 2.3 and 2.5 to 2.6 do not apply to a *third country branch undertaking*.

4.3 2.4 applies only in relation to a *third country branch undertaking's workers* in the *UK*.

PRA RULEBOOK: ADMINISTRATION INSTRUMENT (No. 2) 2017**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (2) section 137T (General supplementary powers);
 - (3) section 142H (Ring-fencing rules);
 - (4) section 192J (Rules requiring provision of information by parent undertakings);
 - (5) section 192JA (Rules applying to parent undertakings of ring-fenced bodies);
 - (6) section 60 (applications for approval);
 - (7) section 60A (vetting of candidate by relevant authorised person); and
 - (8) section 63F (issuing of certificates).
- 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: Amendment Instrument (No. 2) 2017

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

(1)	(2)
REGULATORY REPORTING	A, B, C, D
FITNESS AND PROPRIETY	E
GROUP SUPERVISION	F
CONDITIONS GOVERNING BUSINESS	G
INSURANCE – FITNESS AND PROPRIETY	H
LARGE NON-SOLVENCY II FIRMS – FITNESS AND PROPRIETY	I
NON-SOLVENCY II FIRMS – FITNESS AND PROPRIETY	J
THIRD COUNTRY BRANCHES	K
OWN FUNDS	L
GLOSSARY	M

Commencement

- E. Annexes A, B, E, F, G, H, I, J, K, L and M of this instrument come into force on 2 May 2017. Annex C of this instrument will come into force on 1 January 2018. Annex D of this instrument will come into force on 1 January 2019.

Expiry

F. The amendments made in Annex B will cease to have effect and be deleted on 31 December 2018.

Citation

G. This instrument may be cited as the PRA Rulebook: Administration Instrument (No. 2) 2017.

By order of the Prudential Regulation Committee

25 April 2017

Annex A

Amendments to the Regulatory Reporting Part

In this Annex new text is underlined>.

...

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</i>	<i>Building society</i>	<i>Non-EEA bank</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	[deleted.]	<i>Dormant account fund operator (12)</i>
Description of <i>data item</i>						
...						
Balance sheet	FSA001_(2)	FSA001_(2) -	-	-	[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)
...	
<i>Annual report and accounts of the mixed-activity holding company</i> <u>((5) and (17))</u>	No standard format
...	

Annex B

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</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.]	<i>Dormant account fund operator (12)</i>
Description of data item						
<i>Annual report and accounts_(20)</i>	No standard format	-	No standard format, but in English	-	-	No standard format
<i>Annual report and accounts of the mixed-activity holding company ((7) and (20))</i>	No standard format	-	-	-	-	-

...						
Market risk	FSA005 ((2), <u>and (3)</u>)	FSA005 ((2), <u>and</u> (3))	-	-	-	-
...						
IRB portfolio risk	FSA045 ((2) <u>and (11)</u>)	FSA045 ((2) <u>and</u> (11))	-	-	-	-
...						

Annex C

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~~16.29 PRA104 can be found **here**.

~~16.27~~16.30 PRA105 can be found **here**.

~~16.28~~16.31 PRA106 can be found **here**.

~~16.29~~16.32 PRA107 can be found **here**.

~~16.30~~16.33 PRA108 can be found **here**.

~~16.34~~16.34 Templates 1.1 ,1.2, 1.3, 2 and 3 at Annexes III and IV of the *Supervisory Reporting ITS* can be found **here**.

Annex D

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.]	<i>Dormant account fund operator (12)</i>
Description of data item							
...							
<i>Annual report and accounts of the mixed-activity holding company ((7) and (20))</i>	No standard format	No standard format	-	-	-	-	-
...							

Market risk	FSA005 ((2), <u>and (3)</u>)	FSA005 ((2),(3), <u>and (22)</u>)	FSA005 ((2), <u>and (3)</u>)	-	-	-	-
...							
IRB portfolio risk	FSA045 ((2), <u>and (11)</u>)	FSA045 ((2),(11), <u>and (22)</u>)	FSA045 ((2), <u>and (11)</u>)	-	-	-	-
...							

...

16 DATA ITEMS AND OTHER FORMS

...

- ~~46.32~~16.35 RFB001 can be found **here**.
- ~~46.33~~16.36 RFB002 can be found **here**.
- ~~46.34~~16.37 RFB003 can be found **here**.
- ~~46.35~~16.38 RFB004 can be found **here**.
- ~~46.36~~16.39 RFB005 can be found **here**.
- ~~46.37~~16.40 RFB006 can be found **here**.
- ~~46.38~~16.41 RFB007 can be found **here**.
- ~~46.39~~16.42 RFB008 can be found **here**.

Annex E

Amendments to the Fitness and Propriety Part

In this Annex deleted text is struck through.

1 APPLICATION AND DEFINITIONS

...

1.3 In this Part, the following definitions shall apply:

...

individual conduct requirements

means

(1) the Individual Conduct Rules and Senior Manager Conduct Rules in Conduct Rules 2 and 3;

(2) the Individual Conduct Standards and Senior Insurance Manager Conduct Standards in Insurance – Conduct Standards 3;

(3) the Individual Conduct Standards and Senior Insurance Manager Conduct Standards in Large Non-Solvency II Firms – Conduct Standards 3;

(4) ~~COCON~~, FIT and APER in the *PRA Handbook*;

(5) COCON in the *FCA Handbook*; and

(6) APER in the *FCA Handbook*.

...

Annex F

Amendments to the Group Supervision Part

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

...

6 GROUP SOLVENCY: NOTIFICATION OF ISSUANCE OF OWN FUNDS ITEMS BY GROUP MEMBER

...

6.5

...

- (2) debt instruments issued from a debt securities programme established by an *undertaking* in the *group*, provided that:

...

- (~~b~~c) any instrument issued pursuant to the programme must, under the terms of the programme, constitute *basic own funds*; and

...

Annex G

Amendments to the Conditions Governing Business Part

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

Part

CONDITIONS GOVERNING BUSINESS

...

12 LLOYD'S

...

- 12.6 The *PRA* and the *Society* must be informed promptly by the *managing agent* of any concerns about the adequacy of the *technical provisions*, and any material deficiencies, identified in the annual written report to be submitted by the ~~actuarial~~actuarial function to the *governing body* of that *managing agent*.

Annex H

Amendments to the Insurance – Fitness and Propriety 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:

...

individual conduct requirements

means:

- (1) the Individual Conduct Rules and Senior Manager Conduct Rules in Conduct Rules 2 and 3;
- (2) the Individual Conduct Standards and Senior Insurance Manager Conduct Standards in Insurance – Conduct Standards 3;
- (3) the Individual Conduct Standards and Senior Insurance Manager Conduct Standards in Large Non-Solvency II Firms - Conduct Standards 3;
- (4) ~~COCON~~, FIT and APER in the *PRA Handbook*;
- (5) COCON in the *FCA Handbook*; and
- (6) APER in the *FCA Handbook*.

...

4 DISCLOSURE AND REPLACEMENTS

- 4.1 (1) A *firm* (other than a *UK ISPV*) shall notify the *PRA* of any changes to the identity of *key function holders* and shall provide the *PRA* with:
- (a) all the information needed to assess whether such *person* is fit and proper pursuant to 2.2; and
 - (b) the information referred to in Insurance - Allocation of Responsibilities 5.1(3) in respect of that *person*.
- (2) A *UK ISPV* shall notify the *PRA* of any changes to the identity of *key function holders* who are effectively running the *firm* and shall provide the *PRA* with all the information needed to assess whether such *person* is fit and proper pursuant to 2.2.
- [Note: Art. 42(2) of the *Solvency II Directive*]**
- (3) Where a *firm* has complied with 4.1(1) in connection with the appointment of a *person* as a *key function holder*, and such *person* transfers from that *key function* to a different *key function* or is appointed to an additional *key function*, in either case within the same *firm*, for the purposes of 4.1(1) the *firm* need only supply, in connection with such subsequent appointment:
- (a) updates to the information previously provided; and

- (b) if the *key function holder* is also to perform a *senior insurance management function* or an *FCA controlled function*, the information required in connection with an application for approval to do so.

...

Annex I

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

...

individual conduct requirements

means:

- (1) the Individual Conduct ~~Rules~~ and Senior Manager Conduct Rules in Conduct Rules 2 and 3;
- (2) the Individual Conduct Standards and Senior Insurance Manager Conduct Standards in Insurance – Conduct Standards 3;
- (3) the Individual Conduct Standards and Senior Insurance Manager Conduct Standards in Large Non-Solvency II Firms - Conduct Standards 3;
- (4) ~~COCON~~, FIT and APER in the *PRA Handbook*;
- (5) COCON in the *FCA Handbook*; and
- (6) APER in the *FCA Handbook*.

...

3 REGULATORY REFERENCES

3.1 (1) If any *PRA-authorised person* (A):

- (a) is considering issuing a *certificate* to, making a *senior management application* in respect of, or appointing as a *senior insurance management function holder*, a *key function holder*, a *non-executive director*, a *notified non-executive director* or a *credit union non-executive director*, a *person* (P);
- (b) makes a request for a reference or other information in respect of P from a *firm* to which this Part applies (B), in B's capacity as:
 - (i) P's current or former employer; or
 - (ii) an organisation (not falling within (i)) at which P is ~~is~~ currently serving, or has served, as a *key function holder* or other *approved person*; and
- (c) indicates to B the purpose of the request;

B must, as soon as reasonably practicable, provide a reference and disclose to A in the reference all information of which B is aware that B reasonably considers to be relevant to A's assessment of whether P is fit and proper.

...

Annex J

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

In this Annex, striking through indicates deleted text.

1 APPLICATIONS AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to a *small non-directive insurer*.

1.2 In this Part, the following definitions shall apply:

continued approval

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

...

3 REGULATORY REFERENCES

3.1 (1) If any *PRA-authorised person* (A):

(a) is considering issuing a *certificate* to, making a *senior management application* in respect of, or appointing as a *senior insurance management function holder*, a *key function holder*, a *non-executive director*, a *notified non-executive director* or a *credit union non-executive director*, a *person* (P);

(b) makes a request for a reference or other information in respect of P from a *firm* to which this Part applies (B), in B's capacity as:

(i) P's current or former employer; or

(ii) an organisation (not falling within (i)) at which P is currently serving, or has served, as a *senior insurance management function holder*, other *approved person* or *non-executive director*; and

(c) indicates to B the purpose of the request;

B must, as soon as reasonably practicable, provide a reference and disclose to A in the reference all information of which B is aware that B reasonably considers to be relevant to A's assessment of whether P is fit and proper.

...

Annex K

Amendments to the Third Country Branches Part

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

...

9 REPORTING

9.1 A *third country branch undertaking* must fulfil the requirements laid down in ~~Reporting 2.1-5~~
Reporting 2.1 to 2.5 as modified by 9.2 and 9.3.

...

Annex L

Amendments to the Own Funds Part

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

1 APPLICATION AND DEFINITION

...

5 NOTIFICATION OF ISSUANCE OF OWN FUNDS ITEMS

...

5.8 ...

(2) a finalised copy of the draft accounting opinion referred to in 5.2-(2)(e) if applicable;

...

Annex M

Amendments to the Glossary

Underlining indicates new text and striking through indicates deleted text.

relevant insurance group undertaking

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

senior insurance management function

means

1. (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*) that aspect of any *key function* relating to the carrying on of a *regulated activity* by the *firm*, which is specified by the *PRA* in Insurance – Senior Insurance Management Functions 3 to 10 pursuant to section 59 of *FSMA*.
2. (for a *small non-directive insurer*) any function which is specified by the *PRA* in Non-Solvency II Firms – Senior Insurance Management Functions 3 to 52.2 pursuant to section 59 of *FSMA*.
3. (for a *large non-directive insurer* and a *Swiss general insurer*) any function which is specified by the *PRA* in Large Non-Solvency II Firms – Senior Insurance Management Functions 3 to 8 pursuant to section 59 of *FSMA*.

PRA RULEBOOK: CRR FIRMS: INTERNAL GOVERNANCE INSTRUMENT 2017**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules); and
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G (2) (Rule-making 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: CRR Firms: Internal Governance Instrument 2017

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

Part	Annex
Compliance and Internal Audit	A
General Organisational Requirements	B
Outsourcing	C
Record Keeping	D
Risk Control	E
Skills, Knowledge and Expertise	F

Commencement

- E. This instrument comes into force on 3 January 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Internal Governance Instrument 2017.

By order of the Prudential Regulation Authority Committee

25 April 2017

Annex A

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

Part

COMPLIANCE AND INTERNAL AUDIT

Chapter content

1. APPLICATION AND DEFINITIONS
2. COMPLIANCE
3. INTERNAL AUDIT

Links

1 APPLICATION AND DEFINITIONS

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

- (1) with respect to the carrying on of the following from an establishment in the *UK*:
 - (a) *regulated activities*;
 - (b) activities that constitute *dealing in investments as principal*, disregarding the exclusion in article 15 of *Regulated Activities Order*;
 - (c) *ancillary activities*;
 - (d) in relation to *MiFID business, ancillary services*; and
 - (e) *unregulated activities in a prudential context*, ~~and~~
- (2) with respect to the carrying on of *passport activities* by it from a *branch* in another *EEA state*;
- (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.

1.2 In this Part, the following definitions shall apply:

Article 22 Compliance Requirements

means the requirements and obligations set out in Article 22 (Compliance) of the MODR.

Article 24 Audit Requirements

means the requirements and obligations as set out in Article 24 (Internal Audit) of the MODR.

competent authority

~~means the authority designated by each EEA State in accordance with Article 48 of MiFID, unless otherwise specified in MiFID.~~

[Note: Art. 4(1)(2) of MiFID]

host Member State

has the meaning given in Article 4(1)(2455) of *MiFID II*.

[Note: Art. 2(6) of the MiFID implementing Directive]

other matters

means, in relation to a requirement under the MODR, matters within the scope of 1.1 that are not within the scope of that requirement.

2 COMPLIANCE

- 2.1 A *firm* must establish, implement and maintain adequate policies and procedures sufficient to ensure compliance of the *firm* including its managers, *employees* and *appointed representatives* (or where applicable, *tied agents*) with its obligations under the *regulatory system* and for countering the risk that the *firm* might be used to further *financial crime*.

[Note: Art. 1316(2) of MiFID II]

- ~~2.2 A *firm* must, taking into account the nature, scale and complexity of its business, and the nature and range of financial services and activities undertaken in the course of that business, establish, implement and maintain adequate policies and procedures designed to detect any risk of failure by the *firm* to comply with its obligations under the *regulatory system*, as well as associated risks, and put in place adequate measures and procedures designed to minimise such risks and to enable the *PRA* to exercise its powers effectively under the *regulatory system* and to enable any other *competent authority* to exercise its powers effectively under *MiFID*~~

[Note: Art. 6(1) of the MiFID implementing Directive]

- 2.2A A *MiFID investment firm* must extend the arrangements required by the *Article 22 Compliance Requirements* so that they apply with respect to *other matters* on the following basis:

- (1) references to “Directive 2014/56/EU” are references to “the *regulatory system*”;
- (2) references to “investment services and activities” and “investment services, activities” are references to financial services and activities;
- (3) references to “relevant persons” are references to *relevant persons*; and
- (4) references to “Article 25(2) of this Regulation” are references to General Organisational Requirements 4.2.

- 2.2B A *firm* that is not a *MiFID investment firm* must comply with *Article 22 Compliance Requirements* on the basis set out in 2.2A and as if references to “investment firm” refer to a *firm*.

- 2.3 A *firm* must maintain a permanent and effective compliance function which operates independently and which has the following responsibilities:

- ~~(1) to monitor on a permanent basis and to assess, on a regular basis, to assess the adequacy and effectiveness of the measures, policies and procedures put in place in accordance with 2.2 and the actions taken to address any deficiencies in the *firm's* compliance with its obligations; and~~
- ~~(2) to advise and assist the *relevant persons* responsible for carrying out *regulated activities* to comply with the *firm's* obligations under the *regulatory system*.~~

[Note: Art. 6(2) of the MiFID implementing Directive]

- ~~2.4 In order to enable the compliance function to discharge its responsibilities properly and independently, a *firm* must ensure that the following conditions are satisfied:~~

- ~~(1) the compliance function must have the necessary authority, resources, expertise and access to all relevant information;~~

- ~~(2) — a compliance officer must be appointed and replaced by the *management body* and must be responsible for the compliance function and for any reporting as to compliance required by General Organisation Requirements 4.2;~~
- ~~(3) — the *relevant persons* involved in the compliance functions must not be involved in the performance of services or activities they monitor;~~
- ~~(4) — the method of determining the *remuneration* of the *relevant persons* involved in the compliance function must not compromise their objectivity and must not be likely to do so.~~

[Note: Art. 6(3) first paragraph of the *MiFID implementing Directive*]

- ~~2.5 — A *firm* need not comply with 2.4(3) or (4) if it is able to demonstrate that in view of the nature, scale and complexity of its business, and the nature and range of financial services and activities, the requirements under those *rules* are not proportionate and that its compliance function continues to be effective.~~

[Note: Art. 6(3) second paragraph of the *MiFID implementing Directive*]

- 2.6 (1) This rule applies to a *firm* conducting *investment services and activities* from a *branch* in another *EEA State*.
- (2) References to the *regulatory system* in 2.1, and 2.2A ~~and 2.3~~ apply in respect of a *firm's branch* as if *regulatory system* includes a *host Member State's* requirements under *MiFID II* and the *MiFID implementing Directive* which are applicable to the *investment services and activities* conducted from the *firm's branch*.

[Note: Art. 13(2) of *MiFID II*]

3 INTERNAL AUDIT

- 3.1 ~~A *firm* must, where appropriate and proportionate in view of the nature, scale and complexity of its business and the nature and range of its financial services and activities, undertaken in the course of that business, establish and maintain an internal audit function which is separate and independent from the other functions and activities of the *firm* and which has the following responsibilities:~~
- ~~(1) — to establish, implement and maintain an audit plan to examine and evaluate the adequacy and effectiveness of the *firm's* systems, internal control mechanisms and arrangements;~~
- ~~(2) — to issue recommendations based on the result of work carried out in accordance with (1);~~
- ~~(3) — to verify compliance with those recommendations; and~~
- ~~(4) — to report in relation to internal audit matters in accordance with General Organisational Requirements 4.2.~~

[Note: Art. 8 of the *MiFID implementing Directive*]

- 3.1A A *MiFID investment firm* must extend the arrangements required by the *Article 24 Audit Requirements* so they apply with respect to *other matters* on the following basis:

- (1) references to “investment services and activities” are financial services and activities;
- (2) references to “relevant persons” are references to *relevant persons*; and

(3) references to “Article 25(2)” are references to General Organisational Requirements 4.2.

3.2 A firm that is not a MiFID investment firm must comply with the Article 24 Audit Requirements on the basis set out in 3.1A and as if references to “investment firm” refer to a firm.

Part

COMPLIANCE AND INTERNAL AUDIT

Externally defined glossary terms

Term	Definition source
<i>EEA State</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>group</i>	<i>s421 FSMA</i>
<i>financial crime</i>	<i>s1H FSMA</i>
<i>person</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>regulated activity</i>	<i>s22 FSMA</i>

Annex B

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

Part

GENERAL ORGANISATIONAL REQUIREMENTS

Chapter content

1. APPLICATION AND DEFINITIONS
2. GENERAL REQUIREMENTS
- 2A. WHISTLEBLOWING
3. PERSONS WHO EFFECTIVELY DIRECT THE BUSINESS
4. RESPONSIBILITY OF SENIOR PERSONNEL
5. MANAGEMENT BODY
6. NOMINATION COMMITTEE
7. GROUP ARRANGEMENTS

Links

1 APPLICATION AND DEFINITIONS

- 1.1 Unless otherwise stated, this Part applies to a *CRR firm*:
- (1) with respect to the carrying on of the following from an establishment in the *UK*:
 - (a) *regulated activities*;
 - (b) activities that constitute *dealing in investments as principal*, disregarding the exclusion in article 15 of *Regulated Activities Order*;
 - (c) *ancillary activities*;
 - (d) in relation to *MiFID business, ancillary services*; and
 - (e) *unregulated activities in a prudential context*; ~~and~~
 - (2) with respect to the carrying on of *passported activities* by it from a *branch* in another *EEA state*;
 - (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.

- 1.2 In this Part, the following definitions shall apply:

Article 21 Organisational Requirements

means requirements and obligations as set out in Article 21(1)(a),(c),(e),(f),(3),(4) (General Organisational Requirements) of the MODR.

Article 25 Senior Management Requirements

means requirements and obligations as set out in Article 25 (Responsibility of senior management) of the MODR.

other matters

means, in relation to a requirement under the MODR, matters within the scope of 1.1 that are not within the scope of that requirement.

....

2 GENERAL REQUIREMENTS

- 2.1 A *firm* must have robust governance arrangements, which include a clear organisational structure with well defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks it is or might be exposed to, and internal control mechanisms, including sound administrative and accounting procedures and effective control and safeguard arrangements for information processing systems.

[Note: Art. 74(1) of the CRD, Art. 1316(5) second paragraph of MiFID II]

- 2.2 The arrangements, processes and mechanisms referred to in 2.1 must be comprehensive and proportionate to the nature, scale and complexity of the risks inherent in the business

model and of the *firm's* activities and must take into account the specific technical criteria described in 2.6, Skills, Knowledge and Expertise 3.2, Risk Control and Remuneration.

[Note: Art. 74(2) of the CRD]

2.2A A MiFID investment firm must extend the arrangements required by the Article 21 Organisational Requirements, so they apply with respect to other matters on the following basis:

- (1) references to “investment services and activities” are references to financial services and activities;
- (2) references to “relevant persons” are references to relevant persons; and
- (3) references to “Article 25(2)” are references to General Organisational Requirements 4.2.

2.2B A firm that is not a MiFID investment firm must comply with the Article 21 Organisational Requirements, on the basis set out in 2.2A and as if references to “investment firm” refer to a firm.

~~2.3~~ ~~A firm must, taking into account the nature, scale and complexity of the business of the firm, and the nature and range of the financial services and activities undertaken in the course of that business establish, implement and maintain:~~

- ~~(1) decision-making procedures and an organisational structure which clearly and in a documented manner specifies reporting lines and allocates functions and responsibilities;~~
- ~~(2) adequate internal control mechanisms designed to secure compliance with decisions and procedures at all levels of the firm; and~~
- ~~(3) effective internal reporting and communication of information at all relevant levels of the firm.~~

~~**[Note: Arts. 5(1) final paragraph, 5(1)(a), 5(1)(c) and 5(1)(e) of the MiFID implementing Directive]**~~

~~2.4~~ ~~A firm must establish, implement and maintain systems and procedures that are adequate to safeguard the security, integrity and confidentiality of information, taking into account the nature of the information in question. Without prejudice to the ability of a competent authority to require access to communications in accordance with applicable law, a firm must have sound security mechanisms in place to guarantee the security and authentication of the means of transfer of information, minimise the risk of data corruption and unauthorised access and to prevent information leakage maintaining the confidentiality of the data at all times.~~

~~**[Note: Art. 16(5) 5(2) of the MiFID II implementing Directive]**~~

~~2.5~~ ~~A firm must take reasonable steps to ensure continuity and regularity in the performance of its regulated activities. To this end the firm must employ appropriate and proportionate systems, resources and procedures.~~

~~**[Note: Art. 4316(4) of MiFID II]**~~

- 2.6 A *firm* must establish, implement and maintain an adequate contingency and business continuity policy aimed at ensuring, in the case of an interruption to its systems and procedures, that any losses are limited, the preservation of essential data and functions, and the maintenance of its *regulated activities*, or, where that is not possible, the timely recovery of such data and functions and the timely resumption of those activities. plans to ensure the firm's ability to operate on an ongoing basis and limit losses on the event of severe business disruption.

[Note: ~~Art. 5(3) of the MiFID implementing Directive and Art. 85(2) of the CRD~~]

- 2.7 A *firm* must establish, implement and maintain accounting policies and procedures that enable it, at the request of the *PRA*, to deliver in a timely manner to the *PRA* financial reports which reflect a true and fair view of its financial position and which comply with all applicable accounting standards and rules

[Note: ~~Art. 5(4) of the MiFID implementing Directive~~]

- 2.8 A *firm* must monitor and, on a regular basis, evaluate the adequacy and effectiveness of its systems, internal control mechanisms and arrangements established in accordance with 2.3 to 2.7 this Chapter and take appropriate measures to address any deficiencies.

[Note: ~~Art. 5(5) of the MiFID implementing Directive~~]

2A WHISTLEBLOWING

- 2A.1 (1) 2A.2 applies to every *CRR firm*.
- (2) 2A.3 – 2A.6 apply to any *CRR firm* that has average total gross assets exceeding £250 million, determined on the basis of the annual average amount of gross assets calculated across a rolling period of five years or, if it has been in existence for less than five years, across the period during which it has existed (in each case, calculated with reference to the *CRR firm's* annual accounting reference date).
- 2A.2 (1) A *firm* must establish, implement and maintain appropriate and effective arrangements for the disclosure of *reportable concerns* by a *person*, including a *firm's* *employee*, internally through a specific, independent and autonomous channel.
- (2) The channel in (1) may be provided through arrangements with third parties, including social partners, subject to any applicable requirement under the Outsourcing Part.

[Note: Art. 71(3) of the CRD and Art. 73(2) of MiFID II]

...

3 PERSONS WHO EFFECTIVELY DIRECT THE BUSINESS

- 3.1 The *senior personnel* of a *firm* must be of sufficiently good repute and sufficiently experienced as to ensure the sound and prudent management of the *firm*.

[Note: Art. 9(14) of MiFID II, Art. 13(1)91(1) of the CRD]

- 3.2 A *firm* must ensure that its management is undertaken by at least two persons meeting the requirements laid down in 3.1.

[Note: Art. 9(46) first paragraph of MiFID II and Art. 13(1) of the CRD]

4 RESPONSIBILITY OF SENIOR PERSONNEL

- 4.1 ~~A firm, when allocating functions internally, must ensure that *senior personnel* and, where appropriate, the *supervisory function*, are responsible for ensuring that the firm complies with its obligations under the regulatory system. In particular, *senior personnel* and, where appropriate, the *supervisory function* must assess and periodically review the effectiveness of the policies, arrangements and procedures put in place to comply with the firm's obligations under the regulatory system and take appropriate measures to address any deficiencies.~~

~~[Note: Art. 9(1) of the MiFID implementing Directive]~~

- 4.1A ~~A MiFID investment firm must extend the arrangements required by the *Article 25 Senior Management Requirements* so they apply with respect to the *other matters* on the following basis:~~
- ~~(1) references to "Directive 2014/56/EU" are references to "the *regulatory system*"; and~~
 - ~~(2) references to "Articles 22, 23 and 24" are references to Compliance and Internal Audit and Risk Control.~~
- 4.1B ~~A firm that is not a MiFID investment firm must comply with the *Article 25 Senior Management Requirements* on the basis set out in 4.1A and as if references to "investment firm" refer to a *firm*.~~
- 4.2 ~~A firm must ensure that:~~
- ~~(1) its *senior personnel* receive on a frequent basis, and at least annually, written reports on the matters covered by Compliance and Internal Audit 2.2 to 2.4 and 3.1, and Risk Control 2.1, 2.2 and 2.4 to 2.6, indicating in particular whether the appropriate remedial measures have been taken in the event of any deficiencies; and~~
 - ~~(2) the *supervisory function*, if any, receives on a regular basis written reports on the same matters.~~

~~[Note: Art. 9(2) and Art. 9(3) of the MiFID implementing Directive]~~

5 MANAGEMENT BODY

- 5.1 A firm must ensure that the *management body* defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the *firm*, including the segregation of duties in the organisation and the prevention of conflicts of interest. The *firm* must ensure that the *management body*:
- (1) has overall responsibility for the *firm*;
 - (2) approves and oversees implementation of the *firm's* strategic objectives, risk strategy and internal governance;
 - (3) ensures the integrity of the *firm's* accounting and financial reporting systems, including financial and operational controls and compliance with the *regulatory system*;
 - (4) oversees the process of disclosure and communications;
 - (5) has responsibility for providing effective oversight of *senior management*; and
 - (6) monitors and periodically assesses;

- (a) the adequacy and the implementation of the *firm's* strategic objectives in the provision of its *regulated activities*;
- (b) the effectiveness of the *firm's* governance arrangements and adequacy of the policies relating to the provision of services to *clients*; and
- (c) takes appropriate steps to address any deficiencies.

[Note: Art. 88(1) of the CRD and Art. 9(3) of MiFID II]

5.1A Without prejudice to 5.1, those arrangements must ensure that the *management body* defines, approves and oversees:

- (1) the organisation of the *firm* for the provision of *regulated activities*, including the skills, knowledge and expertise required by personnel, the resources, the procedures and the arrangements for the provision of services and activities, taking into account the nature, scale and complexity of its business and all the requirements the *firm* has to comply with; and
- (2) a policy as to services, activities, products and operations offered or provided in accordance with the risk tolerance of the *firm* and the characteristics and needs of the *clients* of the *firm* to whom they will be offered or provided, including carrying out appropriate stress testing, where appropriate; and
- (3) a *remuneration* policy of *persons* involved in the provision of services to *clients* aiming to encourage responsible business conduct, fair treatment of *clients* as well as avoiding conflict of interest in the relationship with *clients*.

[Note: Art. 9(3) of MiFID II]

5.2 A *firm* must ensure that the members of the *management body* of the *firm*:

- (1) are of sufficiently good repute;
- (2) possess sufficient knowledge, skills and experience to perform their duties;
- (3) possess adequate collective knowledge, skills and experience to understand the *firm's* activities, including the main risks;
- (4) reflect an adequately broad range of experiences;
- (5) commit sufficient time to perform their functions in the *firm*; and
- (6) act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of *senior management* where necessary and to effectively oversee and monitor management decision-making.

[Note: Art. 91(1)-(2) and (7)-(8) of the CRD and Art. 9(1) and (4) of MiFID II]

...

5.4 A *firm* must ensure that the members of the *management body* of the *firm* do not hold more directorships than is appropriate taking into account individual circumstances and the nature, scale and complexity of the *firm's* activities.

[Note: Art. 91(3) of the CRD and Art. 9(1) of MiFID II]

- 5.5 (1) A *firm* that is significant must ensure that the members of the *management body* of the *firm* do not hold more than one of the following combinations of directorship in any organisation at the same time:
- (a) one executive directorship with two non-executive directorships; and
 - (b) four non-executive directorships.
- (2) Paragraph (1) does not apply to members of the *management body* that represent the *UK*.

[Note: Art. 91(3) of the *CRD* and Art. 9(1) of *MiFID II*]

- 5.6 For the purposes of 5.4 and 5.5:
- (1) directorships in organisations which do not pursue predominantly commercial objectives shall not count; and
 - (2) the following shall count as a single directorship:
 - (a) executive or non-executive directorships held within the same *group*; or
 - (b) executive or non-executive directorships held within:
 - (i) *firms* that are members of the same institutional protection scheme provided that the conditions set out in Article 113(7) of the *CRR* are fulfilled; or
 - (ii) *undertakings* (including non-financial entities) in which the *firm* holds a *qualifying holding*.

[Note: Art. 91(4) and (5) of the *CRD* and Art. 9(1) of *MiFID II*]

- 5.7 A *firm* must ensure that the members of the *management body* of the *firm* have adequate access to information and documents that are needed to oversee and monitor management decision-making.

[Note: Art. 9(3) of *MiFID II*]

...

6 NOMINATION COMMITTEE

- 6.1 A *firm* that is significant must:
- (1) establish a nomination committee composed of members of the *management body* who do not perform any executive function in the *firm*;
 - (2) ensure that the nomination committee is able to use any forms of resources the nomination committee deems appropriate, including external advice; and
 - (3) ensure that the nomination committee receives appropriate funding.

[Note: Art. 88(2) of the *CRD* and Art. 9(1) of *MiFID II*]

- 6.2 A *firm* that has a nomination committee must ensure that the nomination committee:

- (1) engage a broad set of qualities and competences when recruiting members to the *management body* and for that purpose puts in place a policy promoting diversity on the *management body*;
- (2) identifies and recommends for approval, by the *management body* or by general meeting, candidates to fill *management body* vacancies, having evaluated the balance of knowledge, skills, diversity and experience of the *management body*;
- (3) prepares a description of the roles and capabilities for a particular appointment, and assesses the time commitment required;
- (4) decides on a target for the representation of the underrepresented gender in the *management body* and prepares a policy on how to increase the number of the underrepresented gender in the *management body* in order to meet that target;
- (5) periodically, and at least annually, assesses the structure, size, composition and performance of the *management body* and makes recommendations to the *management body* with regard to any changes;
- (6) periodically, and at least annually, assesses the knowledge, skills and experience of individual members of the *management body* and of the *management body* collectively, and reports this to the *management body*;
- (7) periodically reviews the policy of the *management body* for selection and appointment of *senior management* and makes recommendations to the *management body*; and
- (8) in performing its duties, and to the extent possible, on an ongoing basis, takes account of the need to ensure that the *management body's* decision making is not dominated by any one individual or small group of individuals in a manner that is detrimental to the interest of the *firm* as a whole.

[Note: Art. 88(2) and Art. 91(10) of the CRD and Art. 9(1) of MiFID II]

- 6.3 A *firm* that does not have a nomination committee must engage a broad set of qualities and competences when recruiting members to the *management body*. For that purpose a *firm* that does not have a nomination committee must put in place a policy promoting diversity on the *management body*.

[Note: Art. 91(10) of the CRD and Art. 9(1) of MiFID II]

...

Part

GENERAL ORGANISATIONAL REQUIREMENTS

Externally defined glossary terms

Term	Definition source
<i>EEA State</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>group</i>	<i>s421 FSMA</i>
<i>person</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>qualifying holding</i>	<i>Art. 4(1)(36) of the CRR</i>
<i>regulated activity</i>	<i>s22 FSMA</i>

Annex C

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

Part

OUTSOURCING

Chapter content

1. APPLICATION AND DEFINITIONS
2. **OUTSOURCING**

Links

1 APPLICATION AND DEFINITIONS

- 1.1 Unless otherwise stated, this Part applies to a *CRR firm*:
- (1) with respect to the carrying on of the following from an establishment in the *UK*:
 - (a) *regulated activities*;
 - (b) activities that constitute *dealing in investments as principal*, disregarding the exclusion in article 15 of *Regulated Activities Order*;
 - (c) *ancillary activities*;
 - (d) in relation to *MiFID business, ancillary services*; and
 - (e) *unregulated activities in a prudential context*; ~~and~~
 - (2) with respect to the carrying on of *passported activities* by it from a *branch* in another *EEA state*;
 - (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.

- 1.2 In this Part, the following definitions shall apply:

Articles 30, 31 Outsourcing Requirements

means requirements and obligations as set out in Articles 30 and 31 (Outsourcing) of the MODR.

...

other matters

means, in relation to a requirement under the MODR, matters within the scope of 1.1 that are not within the scope of that requirement.

.....

2 OUTSOURCING

- 2.1 A *firm* must:
- (1) when relying on a third party for the performance of operational functions which are critical for the performance of *relevant services and activities* on a continuous and satisfactory basis, ensure that it takes reasonable steps to avoid undue additional operational risk; and
 - (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 *MiFID II*.

[Note: Art. 13(5) first paragraph of *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 *MiFID II* are references to a firm's obligations under the *regulatory system*;
- (3) references to "investment services and activities" are references to *relevant services and activities*;
- (4) references to "client" includes anyone who is a *client*, and
- (5) references to "competent authority" are references to the *PRA* or the *FCA* acting other than in the capacity of a *competent authority* for the purposes of *MiFID II* or *CRR*.

2.1B A firm that is not a *MiFID investment firm* must comply with the Articles 30, 31 Outsourcing Requirements on the basis set out in 2.1A and as if references to "investment firm" refer to a *firm*.

~~2.2~~ ~~For the purposes of this Part, an operational function is regarded as critical or important if a defect or failure in its performance would materially impair the continuing compliance of a *firm* with the conditions and obligations of its *authorisation* or its other obligations under the *regulatory system*, or its financial performance, or the soundness or the continuity of its *relevant services and activities*.~~

~~[Note: Art. 13(1) of the *MiFID* implementing Directive]~~

~~2.3~~ ~~Without prejudice to the status of any other function, the following functions will not be considered as critical or important for the purposes of this Part:~~

- ~~(1) the provision to the *firm* of advisory services, and other services which do not form part of the *relevant services and activities* of the *firm*, including the provision of legal advice to the *firm*, the training of personnel of the *firm*, billing services and the security of the *firm's* premises and personnel; and~~
- ~~(2) the purchase of standardised services, including market information services and the provision of price feeds.~~

~~[Note: Art. 13(2) of the *MiFID* implementing Directive]~~

~~2.4~~ ~~If a *firm* outsources critical or important operational functions or any *relevant services and activities*, it remains fully responsible for discharging all of its obligations under the *regulatory system* and must comply, in particular, with the following conditions:~~

- ~~(1) the *outsourcing* must not result in the delegation by *senior personnel* of their responsibility;~~

- ~~(2) — the relationship and obligations of the *firm* towards its *clients* under the *regulatory system* must not be altered;~~
- ~~(3) — the conditions with which the *firm* must comply in order to be *authorised*, and to remain so, must not be undermined; and~~
- ~~(4) — none of the other conditions subject to which the *firm's* *authorisation* was granted must be removed or modified.~~

[Note: Art. 14(1) of the *MiFID implementing Directive*]

- ~~2.5 — A *firm* must exercise due skill and care and diligence when entering into, managing or terminating any arrangement for the *outsourcing* to a service provider of critical or important operational functions or of any *relevant services and activities*.~~

[Note: Art. 14(2) first paragraph of the *MiFID implementing Directive*]

- ~~2.6 — A *firm* must in particular take the necessary steps to ensure that the following conditions are satisfied:~~
 - ~~(1) — the service provider must have the ability, capacity and any *authorisation* required by law to perform the *outsourced* functions, services or activities reliably and professionally;~~
 - ~~(2) — the service provider must carry out the *outsourced* services effectively, and to this end the *firm* must establish methods and procedures for assessing the standard of performance of the service provider;~~
 - ~~(3) — the service provider must properly supervise the carrying out of the *outsourced* functions, and adequately manage the risks associated with the *outsourcing*;~~
 - ~~(4) — appropriate action must be taken if it appears that the service provider may not be carrying out the functions effectively and in compliance with applicable laws and regulatory requirements;~~
 - ~~(5) — the *firm* must retain the necessary expertise to supervise the *outsourced* functions or services effectively and to manage the risks associated with the *outsourcing*, and must functions and manage those risks;~~
 - ~~(6) — the service provider must disclose to the *firm* any development that may have a material impact on its ability to carry out the *outsourced* functions effectively and in compliance with applicable laws and regulatory requirements;~~
 - ~~(7) — the *firm* must be able to terminate the arrangement for the *outsourcing* where necessary, without detriment to the continuity and quality of its provision of services to *clients*;~~
 - ~~(8) — the service provider must co-operate with the *PRA* and any other relevant *competent authority* in connection with the *outsourced* activities;~~
 - ~~(9) — the *firm*, its auditors, the *PRA* and any other relevant *competent authority* must have effective access to data related to the *outsourced* activities, as well as to the *relevant* business premises of the service provider, and the *PRA* and any other relevant *competent authority* must be able to exercise those rights of access;~~

~~(10) — the service provider must protect any confidential information relating to the *firm* and its *clients*;~~

~~(11) — the *firm* and the service provider must establish, implement and maintain a contingency plan for disaster recovery and periodic testing of backup facilities where that is necessary having regard to the function, service or activity that has been *outsourced*.~~

~~[Note: Art. 14(2) second paragraph of the *MiFID implementing Directive*]~~

~~2.7 — A *firm* must ensure that the respective rights and obligations of the *firm* and of the service provider are clearly allocated and set out in a written agreement~~

~~[Note: Art. 14(3) of the *MiFID implementing Directive*]~~

~~2.8 — If a *firm* and the service provider are members of the same *group*, the *firm* may, for the purpose of complying with 2.5 to 2.9, take into account the extent to which the *firm* controls the service provider or has the ability to influence its actions.~~

~~[Note: Art. 14(4) of the *MiFID implementing Directive*]~~

~~2.9 — A *firm* must make available on request to the *PRA* and any other relevant *competent authority* all information necessary to enable the *PRA* and any other relevant *competent authority* to supervise the compliance of the performance of the *outsourced* activities with the requirements of the *regulatory system*.~~

~~[Note: Art. 14(5) of the *MiFID implementing Directive*]~~

Part

OUTSOURCING

Externally defined glossary terms

Term	Definition source
<i>EEA State</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>group</i>	<i>s421 FSMA</i>
<i>regulated activity</i>	<i>s22 FSMA</i>

Annex D

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

Part

RECORD KEEPING

Chapter content

1. APPLICATION AND DEFINITIONS
2. RECORD KEEPING

Links

1 APPLICATION AND DEFINITIONS

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

- (1) with respect to the carrying on of the following from an establishment in the *UK*:
 - (a) *regulated activities*;
 - (b) activities that constitute *dealing in investments as principal*, disregarding the exclusion in article 15 of *Regulated Activities Order*;
 - (c) *ancillary activities*;
 - (d) in relation to *MiFID business, ancillary services*; and
 - (e) *unregulated activities in a prudential context*; and

unless another applicable *rule* which is relevant to the activity has a wider territorial scope, in which case this Part applies with that wider scope in relation to the activity described in that *rule*;
- (2) with respect to the carrying on of *passport activities* by it from a *branch* in another *EEA state*;
- (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.

1.2 In this Part, the following definitions shall apply:

Article 72 Record Keeping Requirements

means requirements and obligations as set out in Article 72 (Record Keeping) of the MODR.

other matters

means, in relation to a requirement under the MODR, matters within the scope of 1.1 that are not within the scope of that requirement.

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: ~~monitor the firm's compliance with the requirements~~

- (1) fulfil its supervisory tasks and perform the enforcement actions under the *regulatory system*; and
- (2) in particular to ascertain that the *firm* has complied with all obligations ~~with respect to clients~~.

[Note: Art. 1316(6) of *MiFID II* and Art. 5(1)(f) of the *MiFID implementing Directive*]

2.1A A MiFID investment firm must extend the arrangements required by the Article 72 Record Keeping Requirements so they apply with respect to other matters on the following basis:

- (1) references to “competent authority” are references to the PRA or the FCA acting other than in the capacity of a competent authority for the purposes of MiFID II or CRR; and
- (2) references to “Directive 2014/65/EU, Regulation (EU) No 600/2014, Directive 2014/57/EU and Regulation (EU) No 596/2014 and their respective implementing measures” are references to “the regulatory system”.

2.1B A firm that is not a MiFID investment firm must comply with the Article 72 Record Keeping Requirements on the basis set out in 2.1A and as if references to “investment firm” refer to a firm.

2.2 A firm must retain all records kept by it under this Part in relation to its *MiFID business* for a period of at least five years.

[Note: Art. 51 (1) of the MiFID implementing Directive]

~~2.3 In relation to its *MiFID business*, a firm must retain records in a medium that allows the storage of information in a way accessible for future reference by the PRA or any other relevant competent authority under MiFID, and so that the following conditions are met:~~

- ~~(1) the PRA or any other relevant competent authority under MiFID must be able to access them readily and to reconstitute each key stage of the processing of each transaction;~~
- ~~(2) it must be possible for any corrections or other amendments, and the contents of the records prior to such corrections and amendments, to be easily ascertained; and~~
- ~~(3) it must not be possible for the records otherwise to be manipulated or altered.~~

[Note: Art. 51(2) of the MiFID implementing Directive]

Part

RECORD KEEPING

Externally defined glossary terms

Term	Definition source
<i>EEA State</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>group</i>	<i>s421 FSMA</i>
<i>regulated activity</i>	<i>s22 FSMA</i>

Annex E

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

Part

RISK CONTROL

Chapter content

1. APPLICATION AND DEFINITIONS
2. RISK CONTROL
3. RISK COMMITTEE
4. GROUP ARRANGEMENTS

Links

1 APPLICATION AND DEFINITIONS

- 1.1 Unless otherwise stated, this Part applies to a *CRR firm*:
- (1) with respect to the carrying on of the following from an establishment in the *UK*:
 - (a) *regulated activities*;
 - (b) activities that constitute *dealing in investments as principal*, disregarding the exclusion in article 15 of *Regulated Activities Order*;
 - (c) *ancillary activities*;
 - (d) in relation to *MiFID business, ancillary services*; and
 - (e) *unregulated activities in a prudential context*, ~~and~~
 - (2) with respect to the carrying on of *passported activities* by it from a *branch* in another *EEA state*;
 - (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.

1.2 In this Part, the following definitions shall apply:

Article 23 Risk Control Requirements

means requirements and obligations as set out in Article 23 (Risk Management) of the MODR.

other matters

means, in relation to a requirement under the MODR, matters within the scope of 1.1 that are not within the scope of that requirement.

2 RISK CONTROL

- 2.1 ~~A firm must establish, implement and maintain adequate risk management policies and procedures, including effective procedures for risk assessment, which identify the risks relating to the firm's activities, processes and systems, and where appropriate, set the level of risk tolerated by the firm.~~

~~**[Note: Art. 7(1)(a) of the MiFID implementing Directive, Art. 13(5) second paragraph of MiFID]**~~

- 2.1A A firm's risk management procedures must include effective procedures for risk assessment.

[Art. 16(5) second paragraph of MiFID II]

- 2.2 ~~A firm must adopt effective arrangements, processes and mechanisms to manage the risk relating to the firm's activities, processes and systems, in light of that level of risk tolerance.~~

~~**[Note: Art. 7(1)(b) of the MiFID implementing Directive]**~~

2.2A A MiFID investment firm must extend the arrangements required by the Article 23 Risk Control Requirements so they apply with respect to other matters on the following basis:

- (1) references to “relevant persons” are references to *relevant persons*;
- (2) references to “investment services and activities” are references to *regulated activities*;
- (3) references to policies and procedures includes the policies and procedures set out in this Part; and
- (4) references to provision of reports and advice to senior management includes the provision of report and advice to *senior personnel* in accordance with General Organisation Requirements 4.2.

2.2B A firm that is not a MiFID investment firm must comply with the Article 23 Risk Control Requirements on the basis set out in 2.2A and as if references to “investment firm” refer to a *firm*.

2.3 A firm must ensure that the ~~The management body of a firm must~~ approves and periodically reviews the strategies and policies for taking up, managing, monitoring and mitigating the risks the firm is or might be exposed to, including those posed by the macroeconomic environment in which it operates in relation to the status of the business cycle.

[Note: Art. 76(1) of the CRD]

~~2.4~~ ~~A firm must monitor the following:~~

- ~~(1) the adequacy and effectiveness of the firm’s risk management policies and procedures;~~
- ~~(2) the level of compliance by the firm and its *relevant persons* with the arrangements, processes and mechanisms adopted in accordance with 2.2;~~
- ~~(3) the adequacy and effectiveness of measures taken to address any deficiencies in those policies, procedures, arrangements, processes and mechanisms, including failures by the *relevant persons* to comply with such arrangements or processes and mechanisms or follow such policies and procedures.~~

[Note: Art. 7(1)(c) of the MiFID implementing Directive]

~~2.5~~ ~~A firm must, where appropriate and proportionate in view of the nature, scale and complexity of its business and the nature and range of the *investment services and activities* undertaken in the course of that business, establish and maintain a risk management function that operates independently and carries out the following tasks:~~

- ~~(1) implementation of the policies and procedures referred to in 2.1 to 2.4; and~~
- ~~(2) provision of reports and advice to *senior personnel* in accordance with General Organisational Requirements 4.2.~~

[Note: Art. 7(2) first paragraph of the MiFID implementing Directive]

~~2.6~~ ~~Where a firm is not required under 2.5 to maintain a risk management function that functions independently, it must nevertheless be able to demonstrate that the policies and procedures which it has adopted in accordance with 2.1 to 2.4 satisfy the requirements of those *rules* and are consistently effective.~~

[Note: Art. 7(2) second paragraph of the MiFID implementing Directive]

- 2.7 (1) A firm must ensure the following:
- (a) ~~The the~~ the management body of a firm has overall responsibility for risk management; and it must devote sufficient time to the consideration of risk issues; and
- (2) ~~The the~~ the management body of a firm must be actively is actively involved in and ensures that adequate resources are allocated to the management of all material risks addressed in the *rules* implementing the *CRD* and in the *CRR* as well as in the valuation of assets, the use of external ratings and internal models related to those risks.
- (32) A firm must establish reporting lines to the *management body* that cover all material risks and risk management policies and changes thereof.

[Note: Art. 76(2) of the CRD]**3 RISK COMMITTEE**

- 3.1 (1) A firm that is significant must establish a risk committee composed of members of the *management body* who do not perform any executive function in the firm. Members of the risk committee must have appropriate knowledge, skills and expertise to fully understand and monitor the risk strategy and the risk appetite of the *firm*.
- (2) A firm must ensure that the ~~The~~ risk committee ~~must~~ advises the *management body* on the ~~institution~~ firm's overall current and future risk appetite and assists the *management body* in overseeing the implementation of that strategy by *senior management*.
- (3) A firm must ensure that the ~~The~~ risk committee ~~must~~ reviews whether prices of liabilities and assets offered to clients take fully into account the *firm's* business model and risk strategy. Where prices do not properly reflect risks in accordance with the business model and risk strategy, the firm must ensure that the risk committee ~~must~~ presents a remedy plan to the *management body*.

[Note: Art. 76(3) of the CRD]

- 3.2 (4) ~~—~~ A firm must ensure that the *management body* in its *supervisory function* and, where a risk committee has been established, the risk committee:
- (1) ~~A firm must ensure that the management body in its supervisory function and, where a risk committee has been established, the risk committee~~ have adequate access to information on the risk profile of the firm and, if necessary and appropriate, to the risk management function and to external expert advice; and
- (2) ~~The management body in its supervisory function and, where one has been established, the risk committee must~~ determine the nature, the amount, the format, and the frequency of the information on risk which they are to receive.

[Note: Art. 76(4) of the CRD]

- 3.3 In order to assist in the establishment of sound *remuneration* policies and practices, a firm must ensure that the risk committee ~~must~~, without prejudice to the tasks of the *remuneration*

committee, examines whether incentives provided by the *remuneration* system take into consideration risk, capital, liquidity and the likelihood and timing of earnings.

[Note: Art. 76(4) of the CRD]

3.4 A firm must ensure the following:

- (1) ~~A firm's~~ the risk management function ~~(2.5) must be~~ independent from the operational functions and ~~have~~ has sufficient authority, stature, resources and access to the *management body*;
- (2) ~~The~~ the risk management function ~~must~~ ensures that all material risks are identified, measured and properly reported. ~~It must be~~ actively involved in elaborating the *firm's* risk strategy and in all material risk management decisions and ~~it must be~~ able to deliver a complete view of the whole range of risks of the *firm*; and
- (3) ~~A firm must ensure that~~ the risk management function is able to report directly to the *management body* in its supervisory function, independent from *senior management* and that it can raise concerns and warn the *management body*, where appropriate, where specific risk developments affect or may affect the *firm*, without prejudice to the responsibilities of the *management body* in its supervisory and/or managerial functions pursuant to the *CRD* and the *CRR*.

[Note: Art. 76(5) of the CRD]

3.5 A firm must ensure that the ~~The~~ head of the risk management function ~~must be~~ an independent senior manager with distinct responsibility for the risk management function. Where the nature, scale and complexity of the activities of the *firm* do not justify a specially appointed *person*, another senior *person* within the *firm* may fulfil that function, provided there is no conflict of interest. A firm must ensure that the ~~The~~ head of the risk management function is not removed without prior approval of the *management body* and ~~must be~~ able to have direct access to the *management body* where necessary.

[Note: Art. 76(5) of the CRD]

...

Part

RISK CONTROL

Externally defined glossary terms

Term	Definition source
<i>EEA State</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>group</i>	<i>s421 FSMA</i>
<i>person</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>regulated activity</i>	<i>s22 FSMA</i>

Annex F

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

Part

SKILLS, KNOWLEDGE AND EXPERTISE

Chapter content

1. APPLICATION AND DEFINITIONS
2. SKILLS, KNOWLEDGE AND EXPERTISE
3. SEGREGATION OF FUNCTIONS
4. ~~AWARENESS OF PROCEDURES~~
5. ~~GENERAL~~
6. GROUP ARRANGEMENTS

Links

1 APPLICATION AND DEFINITIONS

- 1.1 Unless otherwise stated, this Part applies to a *CRR firm*:
- (1) with respect to the carrying on of the following from an establishment in the *UK*:
 - (a) *regulated activities*;
 - (b) activities that constitute *dealing in investments as principal*, disregarding the exclusion in article 15 of *Regulated Activities Order*;
 - (c) *ancillary activities*;
 - (d) in relation to *MiFID business, ancillary services*; and
 - (e) *unregulated activities in a prudential context*, ~~and~~
 - (2) with respect to the carrying on of *passported activities* by it from a *branch* in another *EEA state*;
 - (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.

- 1.2 In this Part, the following definitions shall apply:

Article 21 Skills Requirements

means requirements and obligations as set out in Article 21(1)(b),(d),(g) (General Organisational Requirements) of the MODR.

other matters

means, in relation to a requirement under the MODR, matters within the scope of 1.1 that are not within the scope of that requirement.

2 SKILLS, KNOWLEDGE AND EXPERTISE

- ~~2.1 A firm must employ personnel with the skills, knowledge and expertise necessary for the discharge of the responsibilities allocated to them.~~

~~**[Note: Art. 5(1)(d) of the MiFID implementing Directive]**~~

- 2.1A A MiFID investment firm must extend the arrangements required by the Article 21 Skills Requirements so they also apply with respect to other matters on the basis that references to “relevant persons” are references to relevant persons.
- 2.1B A firm that is not a MiFID investment firm must comply with the Article 21 Skills Requirements on the basis set out in 2.1A and as if references to “investment firm” refer to a firm.

3 SEGREGATION OF FUNCTIONS

- 3.1 ~~A firm must ensure that the performance of multiple functions by its *relevant persons* does not and is not likely to prevent those *persons* from discharging any particular functions soundly, honestly and professionally.~~

~~[Note: Art. 5(1)(g) of the *MiFID implementing Directive*]~~

- 3.2 ~~A firm must ensure that its~~The *senior personnel* of a *firm* must define arrangements concerning the segregation of duties within the *firm* and the prevention of conflicts of interest.

~~[Note: Art. 88 of the *CRD* and Art. 9(1) of *MiFID II*]~~

4 AWARENESS OF PROCEDURES

- 4.1 ~~A firm must ensure that its *relevant persons* are aware of the procedures which must be followed for the proper discharge of their responsibilities.~~

~~[Note: Art. 5(1)(b) of the *MiFID implementing Directive*]~~

5 GENERAL

- 5.1 ~~The systems, internal control mechanisms and arrangements established by a *firm* in accordance with this Part must take into account the nature, scale and complexity of its business and the nature and range of financial services and activities undertaken in the course of that business.~~

~~[Note: Art. 5(1) final paragraph of the *MiFID implementing Directive*]~~

- 5.2 ~~A *firm* must monitor and, on a regular basis, evaluate the adequacy and effectiveness of its systems, internal control mechanisms and arrangements established in accordance with this Part, and take appropriate measures to address any deficiencies.~~

~~[Note: Art. 5(5) of the *MiFID implementing Directive*]~~

...

Part

SKILLS, KNOWLEDGE AND EXPERTISE

Externally defined glossary terms

Term	Definition source
<i>EEA State</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>group</i>	<i>s421 FSMA</i>
<i>regulated activity</i>	<i>s22 FSMA</i>

PRA RULEBOOK: CRR FIRMS: NOTIFICATIONS INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) article 16(1)(a) Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017; and
 - (2) section 137G (The PRA’s general 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: Notifications Instrument 2017

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

Commencement

- E. Annex A comes into force on 25 April 2017.
Annex B comes into force on 3 January 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Notifications Instrument 2017.

By order of the Prudential Regulation Committee

25 April 2017

Annex A

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

Part

NOTIFICATIONS

Chapters

...

13 STRUCTURED DEPOSITS NOTIFICATION

1 APPLICATION AND DEFINITIONS

....

1.2 In this Part, the following definitions shall apply:

...

structured deposits notification

means a notification under article 16(1)(a) Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017.

...

13 STRUCTURED DEPOSITS NOTIFICATION

13.1 The PRA directs that a *firm* wishing to make a *structured deposits notification* use the form found [here](#).

Annex B

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

Part

NOTIFICATIONS

1 APPLICATION AND DEFINITIONS

....

1.2 In this Part, the following definitions shall apply:

...

~~*structured deposits notification*~~

~~means a notification under article 16(1)(a) Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017.~~

...

13 STRUCTURED DEPOSITS NOTIFICATION

13.1 ~~The PRA directs that a firm wishing to make a *structured deposits notification* use the form found here. [deleted]~~

PRA RULEBOOK: CRR FIRMS: GLOSSARY INSTRUMENT 2017

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Glossary Instrument 2017

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

Commencement

- E. This instrument comes into force on 3 January 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Glossary Instrument 2017.

By order of the Prudential Regulation Committee

25 April 2017

Annex A

Amendments to the Glossary

In the Glossary Part of the PRA Rulebook, amend the following definitions where underlining indicates new text and deleted text is struck through.

ancillary service

means any of the services listed in Section B of Annex 1 to *MiFID II*.

approved counterparty

...

(3) a *MiFID investment firm* whose ~~authorise~~ authorisation (as referred to in article 5 of *MiFID II*) authorises it to carry on activities of the kind referred to in (2);

...

branch

...

(2) (in relation to an *investment firm*) has the meaning given in Article 4(1)~~(30)~~(26) of *MiFID II*.

...

competent authority

means the authority, designated by each EEA State in accordance with Article 67 of *MiFID II*, unless otherwise specified in *MiFID II*.

[Note: Art. 4(1)(26) of *MiFID II*]*eligible counterparty*

has the meaning given in the *FCA Handbook* as amended from time to time~~as at 31 July 2015~~ for the purposes other than for the purposes of the part of the *FCA Handbook* ~~(as at 31 July 2015)~~ in High Level Standards that has the title Principles for Businesses.

financial instruments

means the instruments specified in Section C of Annex I to~~of~~ *MiFID II*.

investment services and/or activities

means any of the services and activities listed in Section A of Annex I to *MiFID II*.

~~*MiFID*~~

~~means the European Parliament and Council Directive on markets in financial instruments (No. 2004/39/EC).~~

~~*MiFID implementing Directive*~~

~~means Commission Directive No. 2006/73/EC implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.~~

MiFID investment firm

means a *firm* to which *MiFID II* applies.

MODR

means the Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing *MiFID II* of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

non-directive firm

...

(2) an *investment firm* authorised under *MiFID II*;

...

professional client

has the meaning given in the *FCA Handbook* as amended from time to time ~~as at 31 July 2015.~~

regulated market

means:

...

(1) a regulated market as defined in article 4(1)(21) of *MiFID II* ~~point (14) of Article 4 of Directive 2004/39/EC~~; or

...

transferable securities

means as defined in article 4(1)(18)(44) of *MiFID II* .

PRA RULEBOOK: CRR FIRMS: GENERAL PROVISIONS INSTRUMENT 2017

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: CRR Firms: General Provisions Instrument 2017

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

Commencement

- E. This instrument comes into force on 3 January 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: General Provisions Instrument 2017.

By order of the Prudential Regulation Committee

25 April 2017

Annex A

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

Amendments to the General Provisions Part

1 APPLICATION AND DEFINITIONS

1.2 In this Part, the following definitions shall apply:

...

MTF

has the meaning given in ~~the FCA Handbook~~ Article 4(1)(22) of MiFID II.

...

regulated market

has the meaning given in ~~the FCA Handbook~~ Article 4(1)(21) of MiFID II.

...

PRA RULEBOOK: CRR FIRMS: OPERATIONAL CONTINUITY REPORTING INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (1) section 137G (The PRA’s general rules);
 - (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 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: Operational Continuity Reporting Instrument 2017

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

Commencement

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

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Operational Continuity Reporting Instrument 2017.

By order of the Prudential Regulation Committee

25 April 2017

Annex A

Amendments to the Regulatory Reporting 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:

...

operational continuity firm

means a *firm* to which the Operational Continuity Part applies.

...

2 REPORTING REQUIREMENTS – DATA ITEMS

...

2.9 An *operational continuity firm* must also submit *data items* as required by Chapter 21.

...

16 DATA ITEMS AND OTHER FORMS

...

16.43 PRA109 can be found [here](#).

...

21 OPERATIONAL CONTINUITY REPORTING

21.1 This Chapter applies to an *operational continuity firm*.

21.2 An *operational continuity firm* must submit to the PRA annually (on a calendar year basis), within 45 *business days* after the end of the calendar year, the completed *data item* PRA109.

Annex B

Amendments to the Operational Continuity Part

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

1. APPLICATION AND DEFINITIONS

...

1.5 In this Part, the following definitions shall apply:

...

~~critical services~~

~~means activities, functions or services performed for one or more business units of the *firm* or for the *firm* and another member of its *group*, whether by the *firm* itself, any other *group* member or a person outside the *firm's group*, the failure of which would lead to the collapse of or present a serious impediment to the performance of the *firm's critical functions*.~~

...

~~group provider~~

~~in relation to a *firm*, means~~

~~(1) a member of its *group* that provides *critical services* to it; or~~

~~(2) the *firm* itself if one of its business units provides the *critical services* to it.~~

...

Annex C

Amendments to the Glossary

In this Annex new text is underlined:

...

critical services

means activities, functions or services performed for one or more business units of the firm or for the firm and another member of its group, whether by the firm itself, any other group member or a person outside the firm's group, the failure of which would lead to the collapse of or present a serious impediment to the performance of the firm's critical functions.

...

group provider

in relation to a firm, means

(1) a member of its group that provides critical services to it; or

(2) the firm itself if one of its business units provides the critical services to it.

...

**PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS: SENIOR MANAGERS REGIME AMENDMENT
INSTRUMENT 2017**

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) section 64A (Rules of conduct).
- 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: SENIOR MANAGERS REGIME AMENDMENT
INSTRUMENT 2017**

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

Commencement

- D. Annexes A, B and C of this instrument come into force on 3 July 2017. Annexes D and E of this instrument come into force on 12 November 2017.

Citation

- E. This instrument may be cited as the PRA Rulebook: CRR Firms, Non CRR Firms: Senior Managers Regime Amendment Instrument 2017.

By order of the Prudential Regulation Committee
9 May 2017

Annex A

Amendments to Glossary definitions

In this Annex, all text is new

...

Conduct Rules non-executive director

means, in relation to a *firm*, a *person* who:

- (1) is a member of the board of directors of the *firm* or, if there is no such board, the equivalent body responsible for the management of the *firm*;
- (2) is not an *approved person* in relation to the *firm*; and
- (3) does not perform an executive function in relation to that *firm*.

...

Annex B

Amendments to the Conduct Rules Part

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

1 APPLICATIONS AND DEFINITIONS

- 1.1 (1) This Part applies to every function a *person* (P) performs in relation to a *firm* (A) that is:
- (a) a *CRR firm*;
 - (b) a *credit union*; or
 - (c) a *third country CRR firm* in relation to the activities of its establishment in the *UK*.
- (2) This Part only applies if P:
- (a) is approved under section 59 of *FSMA* to perform a *senior management function* in relation to A;
 - (b) is an *employee* of A that should have been so approved;
 - (c) is an *employee or director* who is performing a function that would have been a controlled function but for Senior Management Functions 2.3; or
 - (d) performs a *certification function* in relation to A; or
 - (e) is a *Conduct Rules non-executive director* of A.
- (3) ~~Chapter 3.1 to 3.3~~ only applies to a *person* in (2)(a) or (b).
- (4) 3.4 only applies to a *person* in (2)(a), (b) or (e).
- 1.2 In this Part, the following definitions shall apply:

director

means, in relation to a *firm*, a *person* who is a member of the board of directors of the *firm* or, if there is no such board, the equivalent body responsible for the management of the *firm*;

employee

has the meaning given in Certification 1.32.

...

Annex C

Amendments to the Notifications Part

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

...

11 CONDUCT RULES: NOTIFICATIONS

...

11.3 If a *firm* is required to notify the *PRA* under 11.2 in respect of either:

(1) *persons performing certification functions; or*

(2) *Conduct Rules non-executive directors,*

it must do so within seven business days of the point at which it determined the relevant requirement applied, by submitting Form L. A *firm* must not unreasonably delay its determination of whether or not the requirement applies.

Annex D

Amendments to the Allocation of Responsibilities Part

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

...

4 PRESCRIBED RESPONSIBILITIES

4.1 Each of the responsibilities set out in this rule is a *prescribed responsibility*:

...

(19) responsibility for the independence, autonomy and effectiveness of the firm's policies and procedures on whistleblowing, including the procedures for protection of staff who raise concerns from detrimental treatment;

(20) responsibility for the allocation of all prescribed responsibilities in accordance with 3.1;

(21) responsibility for the firm's performance of its obligations under Outsourcing.

...

6 PRESCRIBED RESPONSIBILITIES: UK BRANCHES

...

6.2 Each of the responsibilities set out in this rule is a *UK branch prescribed responsibility*:

...

(10) responsibility for the production and integrity of the firm's financial information and its regulatory reporting in respect of its *regulated activities*;

(11) responsibility for the firm's performance of its obligations under Internal Governance of Third Country Branches 7.

...

Annex E

Amendments to the Senior Management Functions Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

Chief Operations function

has the meaning given in 3.8.

...

critical function

has the meaning given in section 3(1) and (2) of the Banking Act 2009.

...

3 EXECUTIVE

...

3.6 The *Head of Key Business Area function* (SMF6) is the function of having responsibility, for management of a business area or division of a *firm* (other than a *third country CRR firm*) where:

~~(1) that business area or division:~~

~~(a) has gross total assets equal to or in excess of £10 billion; and~~

~~(b) either~~

~~(i) accounts for more than 20% of the *firm's* gross revenue; or~~

~~(ii) where the *firm* is part of a *group*, accounts for more than 20% of the total gross revenue of the *group*; and ~~[deleted.]~~~~

(1A) either:

(a) both of the quantitative criteria set out in 3.6A are satisfied in respect of the relevant business area or division of the *firm*; or

(b) one of the quantitative criteria set out in 3.6A is satisfied in respect of the relevant business area or division of the *firm* and the relevant business area or division of the *firm* performs a *critical function*; and

(2) the person performing that function does not report to a *person* performing the *Head of Key Business Area function* in respect of that same business area or division of the *firm*.

3.6A The quantitative criteria referred to in 3.6 are that the relevant business area or division of the *firm*:

(1) has gross total assets equal to or in excess of £10 billion; or

(2) accounts for more than 20% of the *firm's* gross revenue.

...

3.8 The *Chief Operations function* (SMF24) is the function of having responsibility for the internal operations and technology of a *firm*.

PRA RULEBOOK: SOLVENCY II FIRMS, NON SOLVENCY II FIRMS: SENIOR INSURANCE MANAGERS REGIME AMENDMENT INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 64A (Rules of conduct);
 - (2) section 137G (The PRA’s general rules);
 - (3) section 137T (General supplementary powers); and
 - (4) any other relevant rulemaking powers or related provisions.
- 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: Solvency II Firms, Non Solvency II Firms: Senior Insurance Managers Regime Amendment Instrument 2017

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

Commencement

- E. The provisions of Annexes A, C, G and J to this Instrument come into force on 3 July 2017.
- F. The provisions of the remaining Annexes to this Instrument come into force on 12 September 2017.

Citation

- G. This instrument may be cited as the PRA Rulebook: Solvency II Firms, Non Solvency II Firms: Senior Insurance Managers Regime Amendment Instrument 2017.

By order of the Prudential Regulation Committee

9 May 2017

Annex A

Amend the Glossary Part as follows in the appropriate alphabetical positions. Underlining indicates new text and deleted text is struck through.

Part

GLOSSARY

...

relevant senior management function

means, for the purposes of section 64A of *FSMA*, any of the following *FCA controlled functions* to the extent applicable, pursuant to the *FCA Handbook*, to a *UK Solvency II firm*, the *Society*, a *managing agent*, a *third country branch undertaking* (other than a *Swiss general insurer*), an *ISPV*, a large non-directive insurer or a *small non directive insurer*.

- 1.CF1 Director function;
- 2.CF2A Chair of the Nomination committee function;
- 3.CF2B Chair of the With-Profits committee function;
- 4.CF3 Chief executive function;
- 5.CF5 Director of unincorporated association function;
- 6.CF6 Small friendly society function;
- 7.CF10 Compliance oversight function;
- 8.CF28 Systems and control function; and
- 9.CF51 Actuarial conduct function holder in Solvency II third country Insurance undertakings.

...

small run-off firm

means a *firm*:

- (1) whose *Part 4A permission for effecting contracts of insurance* has been cancelled as at the date on which the *firm* becomes a *small run-off firm*;
- (2) which has not effected any new *contracts of insurance* in the 12 months before the date on which the *firm* becomes a *small run-off firm*;
- (3) which has not participated as a transferee in a transfer of insurance business under Part VII of *FSMA* in the 12 months before the date on which the *firm* becomes a *small run-off firm*; and
- (4) the value of whose *technical provisions* is less than £25 million, as reported in each of the *firm's two most recent annual reports and accounts* published before the date on which it becomes a *small run-off firm*.

A *firm* remains a *small run-off firm* unless, after the date on which it becomes a *small run-off firm*, it:

- (1) has a *Part 4A permission for effecting contracts of insurance*;
- (2) effects a new *contract of insurance*; or
- (3) participates as a transferee in a transfer of insurance business under Part VII of *FSMA*.

Annex B

Amendments to the Insurance – Allocation of Responsibilities Part

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

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

governance map

has the meaning given in 5.1.

SIMR prescribed responsibility

- (1) for a *firm* (other than a *third country branch undertaking* 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-;
- (4) for a *small run-off firm* means the responsibilities in 3.2.

2 ALLOCATION OF RESPONSIBILITIES

2.1 A *firm* (other than a *third country branch undertaking* or a *small run-off firm*) must allocate each of the *SIMR 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:

- (1) the *PRA* to perform a *senior insurance management function*; or
- (2) in relation to *relevant senior management functions* only, the *FCA*.

2.2 A *firm* (other than a *third country branch undertaking* or a *small run-off firm*) must allocate each of the *SIMR prescribed responsibilities* set out in 3.1(10) and (11) and the *SIMR prescribed responsibility* set out in 3.3, if applicable to one or more *non-executive directors* who perform:

- (1) a *senior insurance management function* set out in Insurance – Senior Insurance Management Functions 4; or
- (2) an *FCA governing function* at that *firm*.

2.3 A *third country branch undertaking* (other than a *Swiss general insurer*) must allocate each of the *SIMR prescribed responsibilities* set out in 3.1(1), (4), (5), (6) and (7) to one or more *persons* who, in relation to that *firm*, are approved under section 59 of *FSMA* by:

- (1) the *PRA* to perform a *senior insurance management function*; or
- (2) in relation to *relevant senior management functions* only, the *FCA*.

2.4 A *small run-off firm* must allocate each of the *SIMR prescribed responsibilities* set out in 3.2 to one or more *persons* who, in relation to that *small run-off firm*, are approved under section 59 of *FSMA* by:

- (1) the *PRA* to perform a *senior insurance management function*; or
- (2) in relation to *relevant senior management functions* only, the *FCA*.

3 SIMR PRESCRIBED RESPONSIBILITIES

3.1 Each of the responsibilities set out in this rule is an *SIMR prescribed responsibility*:

- (1) responsibility for ensuring that the *firm* has complied with its obligation in Insurance - Fitness and Propriety 2.1 to ensure that every *person* who performs a *key function* (including every *person* in respect of whom an application under section 59 of *FSMA* is made) is a fit and proper *person*;
- (2) responsibility for leading the development of the *firm's* culture by the *governing body* as a whole;
- (3) responsibility for overseeing the adoption of the *firm's* culture in the day-to-day management of the *firm*;
- (4) responsibility for the production and integrity of the *firm's* financial information and its regulatory reporting;
- (5) responsibility for management of the allocation and maintenance of the *firm's*:
 - (a) capital; and
 - (b) liquidity;
- (6) responsibility for the development and maintenance of the *firm's* business model by the *governing body*;
- (7) responsibility for performance of the *firm's* *ORSA*;
- (8) responsibility for leading the development and monitoring effective implementation of policies and procedures for the induction, training and professional development of all members of the *firm's* *governing body*;
- (9) responsibility for monitoring effective implementation of policies and procedures for the induction, training and professional development of all of the *firm's* *key function holders* (other than members of the *firm's* *governing body*);
- (10) responsibility for oversight of the independence, autonomy and effectiveness of the *firm's* policies and procedures on whistleblowing including the procedures for protection of staff who raise concerns from detrimental treatment; and
- (11) responsibility for overseeing the development and implementation of the *firm's* remuneration policies and practices.

3.2 Each of the following responsibilities is an *SIMR prescribed responsibility* in respect of a *small run-off firm*:

- (1) responsibility for providing the *governing body* with an up-to-date business plan and all relevant management information;
- (2) responsibility for managing the *small run-off firm's* financial resources;
- (3) responsibility for ensuring the *governing body* is kept informed of its legal and regulatory obligations; and
- (4) responsibility for the oversight of systems and controls, along with risk management policies and procedures, that are proportionate to the nature, scale, and complexity of the risks inherent in the *small run-off firm's* business model.

3.3 The responsibility set out in rule 3.3(1) is an *SIMR prescribed responsibility* in the circumstances specified:

- (1) if a *firm* is not significant and outsources its internal audit *function* to an external third party service provider (that is, a service provider outside the *firm* or the *firm's group*), responsibility for providing for an effective internal audit *function* in accordance with Conditions Governing Business 5 and for overseeing the performance of the internal audit *function*.

...

Annex C

Amendments to the Insurance – Conduct Standards Part

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

1 APPLICATION

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
- (6) in relation to any of the foregoing *firms*, any *person who is a Conduct Rules non-executive director* or who is approved under section 59 of *FSMA* by either:
 - (a) the *PRA*; or
 - (b) the *FCA*, in relation to a *relevant senior management function*.

2 SCOPE OF CONDUCT STANDARDS

2.1 If you are a natural person ~~subject to this Part~~ who is approved under section 59 of *FSMA* by either:

- (1) the *PRA*; or
- (2) the *FCA*, in relation to a *relevant senior management function*,

you must comply at all times with all of the *conduct standards*.

2.1A If you are a *Conduct Rules non-executive director*, you must comply at all times with the *conduct standards* specified in 3.1 to 3.3, 3.7 and 3.8.

2.2 A *firm* must require:

- (1) any *person* performing a *key function* to observe the *conduct standards* specified in 3.1 – to 3.3;
- (2) any *key function holder* (other than a *notified non-executive director* and an *authorised UK representative*) to observe the *conduct standards* specified in 3.4 – to 3.8, in addition to complying with (1); and
- (3) any *notified non-executive director* to observe the *conduct standards* specified in 3.7 and 3.8, in addition to complying with (1).

...

Annex D

Amendments to the Insurance – Senior Insurance Management Functions Part

In this Annex, underlining indicates new text.

Chapter content

- 1 APPLICATION AND DEFINITIONS
- 2 GENERAL
- 3 EXECUTIVE
- 4 OVERSIGHT
- 5 GROUP ENTITIES
- 6 HEAD OF THIRD COUNTRY BRANCH
- 6A HEAD OF SMALL RUN-OFF FIRM
- 7 CHIEF ACTUARY
- 8 WITH-PROFITS ACTUARY
- 9 CHIEF UNDERWRITING OFFICER
- 10 UNDERWRITING RISK OVERSIGHT
- 11 LLOYD'S
- 12 UK ISPVS

Links

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

FCA activities

means a function which would, except for SUP10A.11.12R of the *FCA Handbook*, be an *FCA governing function*.

Group Entity Senior Insurance Manager function

has the meaning given in 5.1.

Head of small run-off firm function

has the meaning given in 6A.2.

Head of Internal Audit function

has the meaning given in 3.4.

...

2 GENERAL

...

2.3 (1) A *firm* (other than a *third country branch undertaking* or a *small run-off firm*) must ensure that one or more *persons* performs each of the following *senior insurance management functions* on its behalf:

- (a) the *Chief Executive function*;
- (b) the *Chief Finance function*; and
- (c) the *Chairman function*.

...

2.6 If a *senior insurance management function holder* to whom 2.5 applies ceases to perform a *senior insurance management function* but continues to perform the *FCA activities*, 2.5(1) will continue to apply in respect of the performance of the *FCA activities* until the earlier of:

- (1) approval by the *FCA* in respect of the performance by that *person* of those *FCA activities* as an *FCA governing function* in relation to the *firm*; or
- (2) three *months* from the time that the *person* ceased to perform that *senior insurance management function*.

2.7 If a *firm* that is not significant outsources its internal audit function to an external third party service provider (that is, a service provider outside the *firm* or the *firm's group*), the *firm* is not required to have any *person(s)* approved to perform the *Head of Internal Audit function*.

...

6A HEAD OF SMALL RUN-OFF FIRM

6A.1 This Chapter applies only to a *small run-off firm*.

6A.2 The *Head of small run-off firm function* (SIMF 26) is the function of:

- (1) having responsibility for the conduct of the *regulated activities*; or
 - (2) chairing the *governing body*
- of a *small run-off firm*.

6A.3

(1) A *small run-off firm* must ensure that one or more *persons* performs the *Head of small run-off firm function* or the *Chief Executive function* on its behalf.

(2) A *small run-off firm* must ensure that there is a *person* appointed to the *Head of small run-off firm function* or the *Chief Executive function* who has ultimate responsibility for the conduct of the *regulated activities* of the *small run-off firm*.

(3) If a vacancy arises in respect of that aspect of the *Head of small run-off firm function* or the *Chief Executive function* referred to in (2) above, a *small run-off firm* must ensure that it appoints a *person* to fill that vacancy as soon as practicable.

6A.4 A *small run-off firm* must have at least one *person* approved to perform the *Chief Finance function* (SIMF2).

6A.5 A *small run-off firm* that transacts *with-profits insurance business* must have at least one *person* approved to perform the *With-Profits Actuary function* (SIMF21).

6A.6 A *small run-off firm* is not required to have any *person(s)* approved to perform any of the other *senior insurance management functions*.

...

Annex E

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

In this Annex, new text is underlined.

...

7 FORMS

- 7.1 (1) ~~Form A~~ Form A (long form) may be found ~~here~~ [here](#)
- (2) ~~Form A~~ Form A (shortened form) may be found ~~here~~ [here](#).
- (3) Form B may be found **here**.
- (4) Form C may be found **here**.
- (5) Form D may be found **here**.
- (6) ~~Form E~~ Form E may be found ~~here~~ [here](#).
- (7) The ~~scope of responsibilities form~~ scope of responsibilities form may be found ~~here~~ [here](#).

Annex F

Amendments to the Large Non-Solvency II Firms – Allocation of Responsibilities Part

In this Annex, underlining indicates new text.

1 APPLICATIONS AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

governance map

has the meaning given in 5.1.

SIMR prescribed responsibility

means the responsibilities in 3.1 and 3.2.

2 ALLOCATION OF RESPONSIBILITIES

...

2.2 A *firm* (other than a *Swiss general insurer*) must allocate each of the *SIMR prescribed responsibilities* set out in 3.1(9) and (10) and the *SIMR prescribed responsibility* set out in 3.2, if applicable to one or more *non-executive directors* who perform:

- (1) a *senior insurance management function* set out in Large Non-Solvency II Firms – Senior Insurance Management Functions 4; or
- (2) an *FCA governing function* at that *firm*.

...

3 SIMR PRESCRIBED RESPONSIBILITIES

3.1 Each of the responsibilities set out in this rule is an *SIMR prescribed responsibility*:

- (1) responsibility for ensuring that the *firm* has complied with its obligation in Large Non-Solvency II Firms - Fitness and Propriety 2.1 to ensure that every *person* who performs a *key function* (including every *person* in respect of whom an application under section 59 of *FSMA* is made) is a fit and proper *person*;
- (2) responsibility for leading the development of the *firm's* culture by the *governing body* as a whole;
- (3) responsibility for overseeing the adoption of the *firm's* culture in the day-to-day management of the *firm*;
- (4) responsibility for the production and integrity of the *firm's* financial information and its regulatory reporting;
- (5) responsibility for management of the allocation and maintenance of the *firm's*:
 - (a) capital; and
 - (b) liquidity;
- (6) responsibility for the development and maintenance of the *firm's* business model by the *governing body*;

- (7) responsibility for leading the development and monitoring effective implementation of policies and procedures for the induction, training and professional development of all members of the *firm's governing body*;
- (8) responsibility for monitoring effective implementation of policies and procedures for the induction, training and professional development of all of the *firm's key function holders* (other than members of the *firm's governing body*);
- (9) responsibility for oversight of the independence, autonomy and effectiveness of the *firm's* policies and procedures on whistleblowing including the procedures for protection of staff who raise concerns from detrimental treatment; and
- (10) responsibility for overseeing the development and implementation of the *firm's* remuneration policies and practices.

3.2 The responsibility set out in rule 3.2(1) is an *SIMR prescribed responsibility* in the circumstances specified:

- (1) if a *firm* outsources its internal audit *function* to an external third party service provider (that is, a service provider outside the *firm* or the *firm's group*), responsibility for providing for an effective internal audit *function* in accordance with Non-Solvency II Firms – Governance 9.2 and for overseeing the performance of the internal audit *function*.

...

Annex G

Amendments to the Large Non-Solvency II Firms – Conduct Standards Part

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

1 APPLICATION

1.1 Unless otherwise stated, this Part applies to:

- (1) a *large non-directive insurer*;
- (2) a *Swiss general insurer*; and
- (3) in relation to any of the foregoing *firms*, any *person who is a Conduct Rules non-executive director* or who is approved under section 59 of *FSMA* by either:
 - (a) the *PRA*; or
 - (b) the *FCA*, in relation to a *relevant senior management function*.

2 SCOPE OF CONDUCT STANDARDS

2.1 If you are a natural person ~~subject to this Part~~ who is approved under section 59 of *FSMA* by either:

- (1) the *PRA*; or
- (2) the *FCA*, in relation to a *relevant senior management function*,

you must comply at all times with all of the *conduct standards*.

2.1A If you are a *Conduct Rules non-executive director*, you must comply at all times with the *conduct standards* specified in 3.1 to 3.3, 3.7 and 3.8.

2.2 A *firm* must require:

- (1) any *person* performing a *key function* to observe the *conduct standards* specified in 3.1 to 3.3;
- (2) any *key function holder* (other than a *notified non-executive director*) to observe the *conduct standards* specified in 3.4 to 3.8, in addition to complying with (1); and
- (3) any *notified non-executive director* to observe the *conduct standards* specified in 3.7 and 3.8, in addition to complying with (1).

...

Annex H

Amendments to the Large Non-Solvency II Firms – Senior Insurance Management Functions
Part

In this Annex, underlining indicates new text.

...

2 GENERAL

...

2.6 If a *senior insurance management function holder* to whom 2.5 applies ceases to perform a *senior insurance management function* but continues to perform the *FCA activities*, 2.5(1) will continue to apply in respect of the performance of the *FCA activities* until the earlier of:

- (1) approval by the *FCA* in respect of the performance by that *person* of those *FCA activities* as an *FCA governing function* in relation to the *firm*; or
- (2) three *months* from the time that the *person* ceased to perform that *senior insurance management function*.

2.7 If a *firm* outsources its internal audit *function* to an external third party service provider (that is, a service provider outside the *firm* or the *firm's group*), the *firm* is not required to have any *person(s)* approved to perform the *Head of Internal Audit function*.

...

Annex I

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

In this Annex, new text is underlined.

...

7 FORMS

- 7.1 (1) Form A (long form) may be found **here**.
- (2) Form A (shortened form) may be found **here**.
- (3) Form B may be found ~~here~~ [here](#).
- (4) Form C may be found ~~here~~ [here](#).
- (5) Form D may be found ~~here~~ [here](#).
- (6) Form E may be found **here**.
- (7) The ~~scope of responsibilities form~~ scope of responsibilities form may be found ~~here~~ [here](#).

Annex J

Amendments to the Non-solvency II Firms - Conduct Standards Part

In this Annex, underlining indicates new text.

1 APPLICATION

1.1 This Part applies, in relation to a *small non-directive insurer*, to any person who is a *Conduct Rules non-executive director* or who is approved under section 59 of *FSMA* by either:

- (1) the *PRA*; or
- (2) the *FCA*, in relation to a *relevant senior management function*.

1A SCOPE OF CONDUCT STANDARDS

1A.1 If you are a natural person who is approved under section 59 of *FSMA* by either:

- (1) the *PRA*; or
- (2) the *FCA*, in relation to a *relevant senior management function*,

you must comply at all times with all of the *conduct standards*.

1A.2 If you are a *Conduct Rules non-executive director*, you must comply at all times with the *conduct standards* specified in 2.1 to 2.3, 2.7 and 2.8.

2 CONDUCT STANDARDS

- 2.1 Conduct Standard 1: You must act with integrity.
- 2.2 Conduct Standard 2: You must act with due skill, care and diligence.
- 2.3 Conduct Standard 3: You must be open and co-operative with the *FCA*, the *PRA* and other regulators.
- 2.4 Conduct Standard 4: You must take reasonable steps to ensure that the business of the *firm* for which you are responsible is controlled effectively.
- 2.5 Conduct Standard 5: You must take reasonable steps to ensure that the business of the *firm* for which you are responsible complies with the relevant requirements and standards of the *regulatory system*.
- 2.6 Conduct Standard 6: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate *person* and that you oversee the discharge of the delegated responsibility effectively.
- 2.7 Conduct Standard 7: You must disclose appropriately any information of which the *FCA* or the *PRA* would reasonably expect to have notice.
- 2.8 Conduct Standard 8: When exercising your responsibilities, you must pay due regard to the interests of current and potential future *policyholders* in ensuring the provision by the *firm* of an appropriate degree of protection for their insured benefits.

Annex K

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

In this Annex, new text is underlined.

...

7 FORMS

- 7.1 (1) Form A (long form) may be found **here**.
- (2) Form A (shortened form) may be found **here**.
- (3) Form B may be found ~~here~~ [here](#).
- (4) Form C may be found ~~here~~ [here](#).
- (5) Form D may be found ~~here~~ [here](#).
- (6) Form E may be found **here**.
- (7) The *scope of responsibilities form* may be found **here**.

PRA RULEBOOK: PRA PERIODIC FEES (2017/18) AND OTHER FEES INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (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 Periodic Fees (2017/18) and Other Fees Instrument 2017

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

Commencement

- E. This instrument comes into force on 8 July 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: PRA Periodic Fees (2017/18) and Other Fees Instrument 2017.

By order of the Prudential Regulation Committee

20 June 2017

Annex

Amendments to the Fees Part of the PRA Rulebook

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:

...

assets outside expected RFB subgroups

means assets of a *ring-fencing fees group* which ~~its ring-fencing business plan indicated were~~ it has advised the PRA are not intended to be held within by a *ring-fenced body* (or its UK sub-group for *ring-fencing* purposes) ~~on~~ from 1 January 2019.

...

core deposit

means core deposits within the meaning of ~~a~~Article 2(2) of the FSMA (Ring-Fenced Bodies and Core Activities) Order 2014.

...

EU withdrawal costs

means the PRA's costs associated with the United Kingdom's withdrawal from the European Union, as determined by the PRA.

EU withdrawal costs fee block

means the firms which are liable to pay EU withdrawal costs as shown in Table VI of the Periodic Fees Schedule.

...

FRS 101

means Financial Reporting Standard 101 issued by the Financial Reporting Council.

...

general insurance fee block

means firms whose Part 4A permission includes effecting or carrying out contracts of general insurance or contracts of long term insurance other than life policies or firms whose Part 4A permission is insurance risk transformation.

...

Group internal model

means the internal models referred to in Articles 230 and 231 of the Solvency II Directive.

IFRS 9 implementation fee(s)

means the fee or fees in 3.21.

...

Internal models approach or IMA

means the internal models approach referred to in Article 363 of the CRR.

Internal model method or IMM

means the internal approach to counterparty credit risk referred to in Article 283 of the CRR.

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.

...

non-EEA branches

means United Kingdom branches of firms which are incorporated outside the EEA.

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.

...

~~ring-fencing business plan~~

~~means the near-final business plans submitted to the PRA on or before 1 March 2016 setting out firms' proposals for ring-fencing.~~

ring-fencing fees group

means a banking group, or part of a banking group, which (i) has submitted ~~a ring fencing business plan~~ forecasts to the PRA indicating that, from 1 January 2019, it will not meet the core deposit level condition in Article 12 of the FSMA (Ring-fenced Bodies and Core Activities) Order 2014 and (ii) ~~was~~ has been notified by the PRA ~~on or prior to between~~ 1 May 2016 and 1 May 2017 that a fee relating to the implementation of ring-fencing ~~would~~ will be payable by one or more members of its group.

...

Solo internal model

means the internal model referred to in Article 112 of the Solvency II Directive.

.....

3 PERIODIC FEES

.....

3.3 *Periodic fees* payable by *firms* in any *fee year* will be the sum of the following (so far as applicable to them):

- (1) a minimum *periodic fee* at the rate specified in Table I of the *Periodic Fees Schedule*;
- (2) a *transition costs* allocation calculated in accordance with Table II of the *Periodic Fees Schedule*;
- (3) *periodic fees* at the rate specified in Table III, subject to any modifications in Table IV and Table V, of the *Periodic Fees Schedule* calculated as follows:
 - (a) applying the *tariff bases* and *valuation points* set out in 3.4 to the *tariff data* which they have supplied to the *PRA* or its *collection agent*;
 - (b) where applicable, grouping *tariff data* into the *tariff bands* shown in Column 3 of Table III of the *Periodic Fees Schedule*; and
 - (c) applying the appropriate *tariff rate* as shown in Column 4 of Table III of the *Periodic Fees Schedule*;

the fee being the total of sums payable in respect of all *tariff bands*; ~~and~~

- (4) an *EU withdrawal costs* allocation calculated in accordance with Table VI, subject to any modifications in Table IV and Table V, of the *Periodic Fees Schedule*;
- (5) the *ring-fencing implementation fee* if applicable; and
- (6) the *IFRS 9 implementation fee* calculated in accordance with Table VII, subject to any modifications in Table IV, of the *Periodic Fees Schedule*.

.....

3.5 The *periodic fees* payable by:

- (1) the *Society* are as specified in Table III of the *Periodic Fees Schedule*; ~~and~~
- (2) *fee-payers* subject to the *ring-fencing implementation fee* are as specified in 3.18; ~~and~~
- (3) *fee-payers* subject to the *IFRS 9 implementation fee* are as specified in 3.21.

.....

Modifications to periodic fees for incoming EEA, Treaty firms and non-directive ~~insurers~~ *firms*

3.11 The following modifications to *periodic fees* will apply:

- (1) In relation to *incoming EEA firms* and *incoming Treaty firms*:
 - (a) the modifications in 3.7 apply only in relation to the relevant regulated activities of the *firm* which are *EEA passported activities* or activities of a *Treaty firm* exercising rights under Schedule 4 of FSMA; ~~and~~

- (b) the *tariff rates* set out in Table III of the *Periodic Fees Schedule* only apply to the regulated activities of the *firm* in the *United Kingdom* and the tariffs are modified in accordance with Table IV of the *Periodic Fees Schedule*. and
- (c) the *EU withdrawal costs* allocation in Table VI and the *IFRS 9 implementation fee* in Table VII are modified in accordance with Table IV of the *Periodic Fees Schedule*.

(2) *Periodic fees* in the A3 *general insurance fee block* and the A4 *life insurance fee block* payable by *firms* outside the scope of the *Solvency II Directive* are subject to the modifications in Table V of the *Periodic Fees Schedule*, to be applied to the final figure arrived at under 3.3-(3) once all other modifications relevant to ~~the firm~~ this part of the firm's periodic fees have been taken into account.

(3) The *EU withdrawal costs* allocation in Table VI payable by *non-directive firms* in the A1 *deposit acceptors fee block*, A3 *general insurance fee block* and A4 *life insurance fee block* is subject to the modifications in Table V of the *Periodic Fees Schedule*.

.....

Ring-fencing implementation fee

3.18 In the *fee year* commencing on 1 March 2016~~7~~ and subsequent *fee years*:

- (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* ~~as at 1 March 2016~~ for the 2017/18 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

$$Y = [\text{assets outside expected RFB sub-group (ring-fencing fees group)} \div \text{assets outside expected RFB sub-groups (all ring-fencing fees groups)}] \times 100$$

....

IFRS 9 implementation fee

3.21 In the fee year commencing on 1 March 2017 and subsequent fee years:

- (1) The PRA will charge an IFRS 9 implementation fee to recover the annual cost to the PRA, as determined by the PRA, of implementing the IFRS 9 accounting standard for firms in the deposit acceptors fee block and designated firms dealing as principal fee block.
- (2) All firms within the deposit acceptors fee block and designated firms dealing as principal fee block other than non-EEA branches and firms paying only the minimum periodic fee which prepared their most recent set of annual accounts for the firm's financial year ending on or before 31 March 2017 in accordance with IFRS or FRS 101 are subject to the IFRS 9 implementation fee.
- (3) The IFRS 9 implementation fee is calculated in accordance with Table VII of the Periodic Fees Schedule.
- (4) Fee payers must comply with directions from the PRA or its collection agent as to payment of IFRS 9 implementation fees arising from any variance between the PRA's budgeted costs under 3.21(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 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 2016 TO 28 FEBRUARY 2017~~ 1 MARCH 2017 TO 28 FEBRUARY 2018

This schedule sets out the *periodic fees* payable by *firms* under Chapter 3.

TABLE 4I - MINIMUM PERIODIC FEES RATES

Fee payer	Fee payable (£)
<i>Credit unions with MELs under £2.0 million:</i>	
<i>With modified eligible liabilities of 0 – 0.5 million</i>	80.00
<i>With modified eligible liabilities greater than 0.5 million and less than 2.0 million</i>	270.00

<p><i>Non-directive friendly societies</i> which either:</p> <p>(1) fall within the A3, but not the A4, <i>fee block</i> and have, in relation to their A3 activities, <i>gross premium income</i> of 0-£0.5million and <i>gross technical liabilities</i> of 0-£1.0million; or</p> <p>(2) fall within the A4, but not the A3, <i>fee block</i> and have, in relation to their A4 activities, <i>adjusted gross premium income</i> of 0-£1.0 million and hold 0-£1.0 million of <i>mathematical reserves for fees purposes</i>; or</p> <p>(3) fall within both the A3 and A4 <i>fee blocks</i> and meet condition (1) above in relation to their A3 activities and condition (2) above in relation to their A4 activities.</p>	215.00
All other firms	500.00

TABLE II - TRANSITION COSTS ALLOCATION

Fee payer	Tariff base for allocations to firms
All <i>firms</i> , except those paying only the minimum fee and <i>insurance special purpose vehicles</i> .	Total <i>periodic fees</i> , excluding minimum fees, payable by the <i>firm</i> multiplied by <u>0.06270.0609</u>

TABLE III – PERIODIC FEE RATES APPLICABLE TO PRA FEE BLOCKS OTHER THAN THE MINIMUM AND TRANSITION COSTS FEE BLOCKS

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	<i>modified eligible liabilities</i>	Band width (£million of <i>MELs</i>)	Fee payable per million or part million of <i>MELs</i> (£)
		>10 - 140	<u>36.6637.49</u>
		>140 - 630	<u>36.6637.49</u>
		>630 - 1,580	<u>36.6637.49</u>
		>1,580 - 13,400	<u>45.8346.86</u>
		>13,400	<u>60.4961.86</u>
A3 general insurers fee block	<i>gross premium income (GPI)</i>	Band width (£million of <i>GPI</i>)	Fee payable per million of <i>GPI</i> (£)
		>0.5	<u>541.25583.14</u>
<i>gross premium income + gross technical</i>			

<i>liabilities</i>	gross technical liabilities (GTL)		
		Band Width (£ million of GTL)	Fee payable per million of GTL (£)
		>1	<u>30.3032.82</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 <i>adjusted gross annual income (AGPI) + mathematical reserves</i>	adjusted gross annual premium income (AGPI)	Band width (£million of AGPI)	Fee payable per million of AGPI (£)
		>1	<u>546.20567.65</u>
	mathematical reserves	Band width (£million of <i>mathematical reserves for fees purposes</i>)	Fee per million or part million of <i>mathematical reserves for fees purposes</i> (£)
		>1	<u>41.5711.95</u>
A5 managing agents at Lloyd's	active capacity	Band width (£million of active capacity)	Fee per million of <i>active capacity</i> (£)
			<u>57.1553.20</u>
A6 Society of Lloyd's	flat fee	N/A	General periodic fee (£) <u>1,795,750.101,827,317.70</u>
A10 Firms dealing as principal fee block	fee per trader	Fee (£ per trader)	<u>5,537.006,154.30</u>

TABLE IV – MODIFICATIONS TO PERIODIC FEES FOR INCOMING EEA FIRMS AND INCOMING TREATY FIRMS WITH BRANCHES IN THE UK

Fee payer	Discount applied to <i>periodic fees</i>
-----------	--

A1 deposit acceptors fee block	50%
A3 general insurers fee block	90%
A4 life insurers fee block	90%
PT1 transition costs fee block	100%
<i>Incoming EEA firms and incoming Treaty firms offering cross border services only</i>	100%
<u>EU withdrawal costs fee block</u>	<u>100%</u>
<u>IFRS 9 implementation fee</u>	<u>100%</u>

TABLE V – MODIFICATIONS TO PERIODIC FEES FOR NON-DIRECTIVE FIRMS IN THE A1, A3 AND A4 FEE BLOCKS

Fee payer	Discount applied to <i>periodic fees in Table III</i>	<u>Discount applied to EU withdrawal costs fee block</u>
<u>A1 deposit acceptors fee block</u>	<u>0%</u>	<u>50%</u>
<u>A3 general insurers fee block</u>	<u>11%</u>	<u>50%</u>
<u>A4 life insurers fee block</u>	<u>11%</u>	<u>50%</u>

Table VI – EU WITHDRAWAL COSTS ALLOCATION

<u>Fee payer</u>	<u>Tariff base for allocations to firms</u>
<i>All firms, except those paying only the minimum fee and insurance special purpose vehicles</i>	<i>Total periodic fees, excluding minimum fees, payable by the firm multiplied by 0.0223</i>

Table VII – IFRS 9 IMPLEMENTATION FEE

<u>Non-trading book assets for fees purposes</u>	<u>Fee payable (in pence) per £1million or part million of non-trading book assets for fees purposes</u>
<u>Zero</u>	<u>0</u>
<u>Greater than zero and up to £199,500million</u>	<u>42.5</u>
<u>Greater than £199,500million</u>	<u>98.6</u>

4 REGULATORY TRANSACTION FEES

...

4.4 This Chapter 4 shows *regulatory transaction fees* payable to the *PRA*. As all *PRA firms* are dual regulated, fees may also be payable to the *FCA*.

...

~~Model approaches (*CRR firms*) Model types~~

4.12 ~~4.12 – 4.15 apply only to *CRR firms*. [deleted]~~

4.12A 4.12A to 4.15A apply to *CRR firms* and *UK Solvency II firms*.

4.13 ~~Regulatory transaction fees are payable as follows where a *CRR firm* seeks permission from the *PRA* in its capacity as *United Kingdom* regulator or *consolidating supervisor*:~~

~~(1) for permission to use one of the internal approaches referred to in 4.15 which require consent under Part Three of the *CRR*;~~

~~(2) to modify that approach once permission is granted; or~~

~~(3) for guidance as to the availability of such an approach or modified approach. [deleted]~~

4.13A *Regulatory transaction fees* are payable:

(1) as set out in 4.14A where a *CRR firm* seeks permission from the *PRA* in its capacity as *United Kingdom* regulator or *consolidating supervisor* to use one of the model types referred to in 4.14A which require consent under Part Three of the *CRR*;

(2) as set out in 4.14B where any of the following applications are made which require consent under Title I or Title III of the *Solvency II Directive*:

(a) a *UK Solvency II firm* seeks permission from the *PRA* in its capacity as *United Kingdom* regulator for permission to use a *solo internal model*;

(b) a *UK Solvency II firm* seeks permission from the *PRA* in its capacity as *Solvency II* group supervisor for permission to use a *group internal model*; or

(c) a *Solvency II undertaking* seeks permission from its group supervisor to use a *group internal model* which includes within the model's scope one or more *UK Solvency II firms*.

4.14 ~~The *due date for payment* under 4.12 – 4.15 is as follows:~~

~~(1) where the application is made directly to the *PRA*, on or before the *application* is made;~~

~~(2) otherwise within 30 days after the *PRA* notifies the firm that its *EEA parent's consolidating supervisor* has requested assistance. [deleted]~~

4.14A (1) Where a *CRR firm* seeks permission to apply any model type the fee payable is as set out in Table D below.

(2) The fees set out in Table D are also payable by a *CRR firm* which seeks to modify that model type once permission is granted and for guidance as to the availability of such a model type or modified model type.

Table D: - Model approaches types under CRR other than the internal model method for counterparty credit risk

Applicant (groupings based on <i>tariff data</i> submitted by firms 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 (£) except where Column 2 applies		Column 2 Fee payable (£) (firm with permission for foundation approach moving to an advanced approach.)
Where the application relates to <i>CRD credit institutions</i> or <i>designated investment firms</i> with five or more significant overseas entities within the same group	model approach type	£	67,000.00
	<i>advanced IRB₁</i> <i>IMM or IMA</i>	268,000.00	
	<i>foundation IRB</i>	232,000.00	
	<i>advanced measurement approaches</i>	181,000.00	
Where, at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant has (1) <i>modified eligible liabilities</i> in excess of £40,000,000.00; or (2) more than 200 traders	model approach type	£	58,000.00
	<i>advanced IRB₁</i> <i>IMM or IMA</i>	232,000.00	
	<i>foundation IRB</i>	198,000.00	
	<i>advanced measurement approaches</i>	146,000.00	
Where, as at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant has (1) <i>modified eligible liabilities</i> greater than £5,000,000.00 and less than £40,000,000.00; or (2) between 26 and 200	model approach type	£	23,500.00
	<i>advanced IRB₁</i> <i>IMM or IMA</i>	94,000.00	
	<i>foundation IRB</i>	72,000.00	

traders	<i>advanced measurement approaches</i>	51,000.00	
Where, as at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant has (1) <i>modified eligible liabilities</i> of £5,000,000.00 or less; or (2) between 0 and 25 traders.	model approach type	£	10,500.00
	<i>advanced IRB₂ IMM or IMA</i>	42,000.00	
	<i>foundation IRB</i>	30,000.00	
	<i>advanced measurement approaches</i>	24,000.00	

4.14B (1) Where a *UK Solvency II firm* or a *Solvency II undertaking* seeks permission for an *internal model*, the fee payable is as set out in Table E below, subject to 4.14B(2) and 4.14B(3).

(2) Where a *firm* or a *group* falls within both the *general insurance fee block* and the *life insurance fee block*, the fee payable is the greater of the fees due under each *fee block*.

(3) Where a *Solvency II undertaking* seeks permission for a *group internal model* which includes one or more *UK Solvency II firms* within its scope, the fee is calculated using aggregated tariff data for all in-scope *UK Solvency II firms*, and is payable by such of those *firms* and in such proportions as the *PRA* directs.

Table E – Internal model application fees

Applicant (groupings based on <i>tariff data</i> submitted by <i>firms</i> as at 31 December 2015, and subject to any adjustments made under 3.20)	Fee payable (£)
Group Internal Model (Full and Partial)	
Sum of <i>gross technical liabilities</i> for <i>groups</i> in the <i>general insurance fee block</i> of £200million or more	268,000.00
Sum of <i>gross technical liabilities</i> for <i>groups</i> in the <i>general insurance fee block</i> less than £200million	100,000.00
Sum of <i>mathematical reserves for fees purposes</i> for <i>groups</i> in the <i>life insurance fee block</i> of £5,000million or more	268,000.00
Sum of <i>mathematical reserves for fees purposes</i> for <i>groups</i> in the <i>life insurance fee block</i> less than £5,000million	100,000.00
Solo Internal Model (Full and Partial)	
<i>Gross technical liabilities</i> for <i>firms</i> in the <i>general insurance fee block</i> of £200million or more	232,000.00

<u>Gross technical liabilities for firms in the general insurance fee block less than £200million</u>	<u>80,000.00</u>
<u>Mathematical reserves for fees purposes for firms in the life insurance fee block of £5,000million or more</u>	<u>232,000.00</u>
<u>Mathematical reserves for fees purposes for firms in the life insurance fee block less than £5,000million</u>	<u>80,000.00</u>

4.15 Where a *CRR firm* seeks permission to apply the *internal model method* for counterparty credit risk the fee payable is £54,000.00 and for other model approaches as set out in Table D below: [deleted]

4.15A The due date for payment under 4.12A to 4.14B is as follows:

(1) where the application is made directly to the PRA, on or before the application is made;

(2) within 30 days after the PRA notifies a CRR firm that its EEA parent's consolidating supervisor has requested assistance; or

(3) within 30 days after the PRA notifies a UK Solvency II firm that it has received a copy of a group internal model application from the Solvency II group supervisor which includes the UK Solvency II firm within its scope.

...

5 SPECIAL PROJECT FEE FOR RESTRUCTURING

...

5.2 An *SPF* for restructuring becomes payable by a *firm* if it engages, or prepares to engage, in activity which involves it undertaking or making arrangements with a view to any of the following:

(1) raising additional capital; or

(2) a significant restructuring of the *firm* or the *group* to which it belongs, including without limitation:

(a) *mergers or acquisitions*;

(b) reorganising the *firm's group* structure; and

(c) *retribution*;

(d) a significant change to the *firm's* business model; and

(e) a significant internal change programme.

.....

Payment calculation

5.7 The *SPF* for restructuring is calculated as follows:

(1) Determine the number of hours, or part of an hour, taken by the *PRA* in relation to regulatory work conducted as a consequence of the activities referred to in 5.2 or 5.4. The number of hours or part hours is as recorded on the *PRA*'s systems in relation to the work.

(2) Next, multiply the applicable rate in the table of *SPF* hourly rates below by the number of hours or part hours arrived at under 5.7(1):

SPF hourly rates

Pay grade of persons employed by the PRA	Hourly rate
Administrator	£30.00 <u>50.00</u>
Associate	£60.00 <u>105.00</u>
Technical specialist	£90.00 <u>155.00</u>
Manager	£145.00 <u>195.00</u>
Any other persons employed by the PRA	£170.00 <u>290.00</u>

(3) Then add any fees and disbursements invoiced to the *PRA* by any third party provider in respect of services performed for the *PRA* in relation to assisting the *PRA* in performing the regulatory work referred to in 5.2 and 5.4.

(4) The resulting figure is the fee.

(5) Where an *SPF* for restructuring is charged and the restructuring directly affects more than one *firm*, the *PRA* may combine the total fees calculated under 5.7(4) in relation to that restructuring and reapportion those fees among all *firms* directly affected by the restructuring, using metrics which, in the opinion of the *PRA*, reflect the *firms*' relative nature, scale and complexity.

....

PRA RULEBOOK: CRR FIRMS: IFRS 9 REGULATORY REPORTING INSTRUMENT 2017

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: IFRS 9 Regulatory Reporting Instrument 2017

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

Commencement

- E. The Annex of this instrument comes into force on 1 January 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: IFRS 9 Regulatory Reporting Instrument 2017.

By order of the Prudential Regulation Committee

3 July 2017

Annex

Amendments to the Regulatory Reporting Part

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

1 APPLICATION AND DEFINITIONS

1.2

...

Opt-in IFRS 9 firm

means a firm which is not a IFRS firm and which applies IFRS 9 in accordance with Financial Reporting Standard 101 (September 2015, ISBN 978-0-7545-5361-8) or 11.2(c) and 12.2(c) of Financial Reporting Standard 102 (September 2015, ISBN 978-0-7545-5362-5)

...

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:		
		applicable data items	reporting frequency / period	due date
RAG 1	<ul style="list-style-type: none"> • <i>accepting deposits</i> • <i>meeting of repayment claims</i> • <i>managing dormant account funds (including the investment of such funds)</i> 	<p>7.1, except that the requirements to:</p> <p>(1) submit templates 1.1, 1.2, 1.3, 2, and 3, <u>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> of Annexes III or IV of the Supervisory Reporting ITS on a consolidated basis; and</p> <p>(2) submit PRA108 on a consolidated basis</p> <p>do not apply to a firm which is</p>	7.2	7.3

		required to report financial information under Article 99(2) of <i>CRR</i> .		
...				

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</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.]	<i>Dormant account fund operator (12)</i>
Description of <i>data item</i>						
...						
Sectoral information, including arrears and impairment	FSA015 ((2),(22))	FSA015 ((2),(22))	-	-		-
...						

<p><u>Financial assets at fair value through other comprehensive income</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 4.3.1 at Annex III of the Supervisory Reporting ITS; or</u></p> <p>(2) <u>Templates 4.3.1 at Annex IV of the Supervisory Reporting ITS</u></p> <p><u>((2), (21), (23), (27))</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 4.3.1 at Annex III of the Supervisory Reporting ITS; or</u></p> <p>(2) <u>Templates 4.3.1 at Annex IV of the Supervisory Reporting ITS</u></p> <p><u>((2), (21), (23), (27))</u></p>	<p>=</p>	<p>=</p>		<p>=</p>
<p><u>Financial assets at amortised cost</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 4.4.1 at Annex III of the Supervisory Reporting ITS; or</u></p> <p>(2) <u>Templates 4.4.1 at Annex IV of the Supervisory Reporting ITS</u></p> <p><u>((2), (21), (23), (27))</u></p>	<p><u>Either</u></p> <p>(1) <u>Templates 4.4.1 at Annex III of the Supervisory Reporting ITS; or</u></p> <p>(2) <u>Templates 4.4.1 at Annex IV of the Supervisory Reporting ITS</u></p> <p><u>((2), (21), (23), (27))</u></p>	<p>=</p>	<p>=</p>		<p>=</p>
<p><u>Loans and advances other than held for trading and trading assets by product</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 5.1 at Annex III of the Supervisory Reporting ITS; or</u></p> <p>(2) <u>Templates 5.1 at Annex</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 5.1 at Annex III of the Supervisory Reporting ITS; or</u></p> <p>(2) <u>Templates 5.1 at Annex</u></p>	<p>=</p>	<p>=</p>		<p>=</p>

	<p><u>IV of the Supervisory Reporting ITS</u></p> <p><u>((2), (21), (23), (27))</u></p>	<p><u>IV of the Supervisory Reporting ITS</u></p> <p><u>((2), (21), (23), (27))</u></p>				
<p><u>Financial assets subject to impairment that are past due</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 7.1 at Annex III of the Supervisory Reporting ITS; or</u></p> <p>(2) <u>Templates 7.1 at Annex IV of the Supervisory Reporting ITS</u></p> <p><u>((2), (21), (23), (27))</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 7.1 at Annex III of the Supervisory Reporting ITS; or</u></p> <p>(2) <u>Templates 7.1 at Annex IV of the Supervisory Reporting ITS</u></p> <p><u>((2), (21), (23), (27))</u></p>	=	=		=
<p><u>Off-balance sheet exposures and commitments and guarantees measured at fair value: Loan commitments, financial guarantees and other commitments given</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 9.1.1 at Annex III of the Supervisory Reporting ITS; or</u></p> <p>(2) <u>Templates 9.1.1 at Annex IV of the Supervisory Reporting ITS</u></p> <p><u>((2), (21), (23), (27))</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 9.1.1 at Annex III of the Supervisory Reporting ITS; or</u></p> <p>(2) <u>Templates 9.1.1 at Annex IV of the Supervisory Reporting ITS</u></p> <p><u>((2), (21), (23), (27))</u></p>	=	=		=
<p><u>Movements in allowances and provisions for credit losses</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 12.1 at</u></p>	<p><u>Either:</u></p> <p>(1) <u>Templates 12.1 at</u></p>	=	=		=

	<p><u>Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 12.1 at Annex IV of the Supervisory Reporting ITS</u> ((2), (21), (23), (27))</p>	<p><u>Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 12.1 at Annex IV of the Supervisory Reporting ITS</u> ((2), (21), (23), (27))</p>				
<p><u>Transfers between impairment stages (gross basis presentation)</u></p>	<p><u>Either</u> (1) <u>Templates 12.2 at Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 12.2 at Annex IV of the Supervisory Reporting ITS</u> ((2), (21), (24), (27))</p>	<p><u>Either</u> (1) <u>Templates 12.2 at Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 12.2 at Annex IV of the Supervisory Reporting ITS</u> ((2), (21), (24), (27))</p>	=	=		=
<p><u>Breakdown of collateral and guarantees by loans and advances other than held for trading</u></p>	<p><u>Either;</u> (1) <u>Templates 13.1 at Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 13.1 at Annex IV of the</u></p>	<p><u>Either;</u> (1) <u>Templates 13.1 at Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 13.1 at Annex IV of the</u></p>	=	=		=

	<u>Supervisory Reporting ITS</u> <u>((2), (21), (24), (27))</u>	<u>Supervisory Reporting ITS</u> <u>((2), (21), (24), (27))</u>				
<u>Information on performing and non-performing exposures</u>	Either (1) <u>Templates 18 at Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 18 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (25), (27))</u>	Either (1) <u>Templates 18 at Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 18 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (25), (27))</u>	=	=		=
<u>Forborne exposures</u>	Either (1) <u>Templates 19 at Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 19 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (25), (27))</u>	Either (1) <u>Templates 19 at Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 19 at Annex IV of the Supervisory Reporting ITS</u> <u>((2), (21), (25), (27))</u>	=	=		=
<u>Geographical breakdown of assets by residence of the counterparty</u>	Either: (1) <u>Templates 20.4 at Annex III of the Supervisory</u>	Either: (1) <u>Templates 20.4 at Annex III of the Supervisory</u>	=	=		=

	<u>Reporting ITS; or</u> (2) <u>Templates 20.4 at Annex IV of the Supervisory Reporting ITS</u> ((2), (21), (24), (26), (27))	<u>Reporting ITS; or</u> (2) <u>Templates 20.4 at Annex IV of the Supervisory Reporting ITS</u> ((2), (21), (24), (26), (27))				
<u>Geographical breakdown by residence of the counterparty of loans and advances other than held for trading to non-financial corporations by NACE codes</u>	<u>Either:</u> (1) <u>Templates 20.7.1 at Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 20.7.1 at Annex IV of the Supervisory Reporting ITS</u> ((2), (21), (24), (26), (27))	<u>Either:</u> (1) <u>Templates 20.7.1 at Annex III of the Supervisory Reporting ITS; or</u> (2) <u>Templates 20.7.1 at Annex IV of the Supervisory Reporting ITS</u> ((2), (21), (24), (26), (27))	=	=		=
...						

...

(22) Not applicable either to a firm which is a IFRS firm or Opt-in IFRS 9 firm.

(23) Only applicable to a firm which is a IFRS firm or Opt-in IFRS 9 firm.

(24) Only applicable to a firm which is a IFRS firm or Opt-in IFRS 9 firm, and which has total assets equal to or greater than £5 billion on an individual basis or UK consolidation group basis. If this data item applies to a IFRS firm or Opt-in IFRS 9 firm due to the level of total assets calculated on the basis of its UK consolidation group only, the firm must report the item only at the UK consolidation group level. If, during any reporting period as set out in 7.2, the total assets of a IFRS firm or Opt-in IFRS 9 firm become equal to or greater than £5 billion on an individual basis or UK consolidation group basis, the firm is required to start reporting this data item from the following reporting period. This

requirement stops applying to a *firm* if its *total assets* on both an individual basis and *UK consolidation group* basis reduce to less than £5 billion for at least two consecutive reporting periods as set out in 7.2, in which case the *firm* does not report this item from the following reporting period.

(25) Only applicable to a *firm* which has *total assets* equal to or greater than £5 billion on an individual basis or on a *UK consolidation group* basis. If this *data item* applies to a *firm* due to the level of *total assets* calculated on the basis of its *UK consolidation group* only, the *firm* must report the item only at the *UK consolidation group* level. If, during any reporting period as set out in 7.2, the *total assets* of a *firm* become equal to or greater than £5 billion on an individual basis or *UK consolidation group* basis, the *firm* is required to start reporting this *data item* from the following reporting period. This requirement stops applying to a *firm* if its *total assets* on both an individual basis and *UK consolidation group* basis reduce to less than £5 billion for at least two consecutive reporting periods as set out in 7.2, in which case the *firm* does not report this item from the following reporting period.

(26) Annex III applies in accordance with Article 9(2)(d) and Annex IV in accordance with Article 11(2)(d) of the *Supervisory Reporting ITS*.

(27) *Firms* in a *UK consolidation group* are exempt from individually reporting this *data item* where they satisfy each of the following conditions:

(a) during the two most recent successive reporting periods set out in 7.2, one *firm* in the *UK consolidation group* (“*Firm A*”) contributed more than 95% of the consolidated *total assets* in the *UK consolidation group* (where the contribution to consolidated *total assets* is calculated as *Firm A*'s *total assets* less any *assets* resulting from *intra-group* transactions with the other members of the *UK consolidation group*);

(b) a representative member of the *UK consolidation group* notifies the *PRA* within 30 *business days* of the end of the previous reporting period; and

(c) this *data item* is reported at the level of the *UK consolidation group*.

The contribution of *Firm A* to the consolidated *total assets* in the *UK consolidation group* must be reassessed at the end of each reporting period. If, for a given reporting period, *Firm A* ceases to contribute more than 95% of the consolidated *total assets* in the *UK consolidation group*, this exemption is no longer available to the members of the *UK consolidation group*, and a representative member of the *UK consolidation group* must notify the *PRA* of that fact within 30 *business days* of the end of that reporting period.

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 or, as applicable, defined liquidity group basis)	Other members of RAG 1
...				
Templates 4.3.1 and 4.4.1 at Annex III of the <i>Supervisory Reporting ITS</i>	Quarterly (11)		Quarterly (11)	=
Templates 5.1 at Annex III of the <i>Supervisory Reporting ITS</i>	Quarterly (11)		Quarterly (11)	=
Templates 7.1 at Annex III of the <i>Supervisory Reporting ITS</i>	Quarterly (11)		Quarterly (11)	=
Templates 9.1.1 at Annex III of the <i>Supervisory Reporting ITS</i>	Quarterly (11)		Quarterly (11)	=
Templates 12.1 and 12.2 at Annex III of the <i>Supervisory Reporting ITS</i>	Quarterly (11)		Quarterly (11)	=
Templates 13.1 at Annex III of	Quarterly (11)		Quarterly (11)	=

<u>the Supervisory Reporting ITS</u>				
<u>Templates 18 at Annex III or IV of the Supervisory Reporting ITS</u>	<u>Quarterly (11)</u>		<u>Quarterly (11)</u>	=
<u>Templates 19 at Annex III or IV of the Supervisory Reporting ITS</u>	<u>Quarterly (11)</u>		<u>Quarterly (11)</u>	=
<u>Templates 20.4 and 20.7 at Annex III of the Supervisory Reporting ITS</u>	<u>Quarterly (11)</u>		<u>Quarterly (11)</u>	=
...				

...

- (9) A firm which has an individual consolidation permission must submit data items FSA001, FSA002, FSA005, FSA011, FSA014, FSA015, FSA017, and FSA045, Templates 1.1, 1.2, 1.3, 2, ~~and 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 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						
<i>Data item</i>	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
<u>Templates 4.3.1. and 4.4.1 at Annex III of the Supervisory Reporting ITS</u>	=	=	=	<u>30 business days</u>	=	=
<u>Templates 5.1. at Annex III of the Supervisory Reporting ITS</u>	=	=	=	<u>30 business days</u>	=	=
<u>Templates 7.1 at Annex III of the Supervisory Reporting ITS</u>	=	=	=	<u>30 business days</u>	=	=
<u>Templates 9.1.1 at Annex III of the Supervisory Reporting ITS</u>	=	=	=	<u>30 business days</u>	=	=
<u>Templates 12.1 and 12.2 at Annex III of the Supervisory Reporting ITS</u>	=	=	=	<u>30 business days</u>	=	=
<u>Templates 13.1 at Annex III of the Supervisory Reporting ITS</u>	=	=	=	<u>30 business days</u>	=	=
<u>Templates 18 at Annex III or IV of the Supervisory Reporting ITS</u>	=	=	=	<u>30 business days</u>	=	=
<u>Templates 19 at Annex III or IV of the Supervisory Reporting ITS</u>	=	=	=	<u>30 business days</u>	=	=
<u>Templates 20.4 and 20.7 at Annex III 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, and 3,~~ Templates 1.1, 1.2, 1.3, 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 at Annexes III and IV of the Supervisory Reporting ITS can be found here.

19 NOTIFICATIONS REGARDING FINANCIAL INFORMATION REPORTING UNDER THE CRR

...

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, and 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 at Annexes III and IV of the *Supervisory Reporting ITS*;

...

PRA RULEBOOK: CRR FIRMS, NON-CRR FIRMS, SOLVENCY II FIRMS, NON-SOLVENCY II FIRMS: SENIOR MANAGERS REGIME AMENDMENT INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 60 (applications for approval);
 - (2) section 137G (the PRA's general rules); and
 - (3) section 137T (general supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

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

PRA Rulebook: CRR Firms, Non-CRR Firms, Solvency II Firms, Non-Solvency II Firms: Senior Managers Regime Amendment Instrument 2017

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

(1)	(2)
FITNESS AND PROPRIETY	A
INSURANCE - FITNESS AND PROPRIETY	B
LARGE NON-SOLVENCY II FIRMS - FITNESS AND PROPRIETY	C

Commencement

- E. The Annexes to this instrument come into force on 24 July 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms, Non-CRR Firms, Solvency II Firms, Non-Solvency II Firms: Senior Managers Regime Amendment Instrument 2017

By order of the Prudential Regulation Committee

18 July 2017

Annex A

Amendments to the Fitness and Propriety Part

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

...

2.7 (1) ...

(ii) an organisation (not falling within (i)) at which P is currently serving, or has served, as an approved person, non-executive director, notified non-executive director, credit union non-executive director or a key function holder, or performed, or is currently performing, a *certification function*;

...

Annex B

Amendments to the Insurance - Fitness and Propriety Part

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

...

2.5 (1) ...

(ii) an organisation (not falling within (i)) at which P is currently serving, or has served, as a *key function holder*, ~~senior insurance management function holder~~, ~~other approved person~~, ~~non-executive director~~, ~~notified non-executive director~~ or ~~credit union non-executive director~~ or performed, or is currently performing, a *certification function*;

...

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

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

...

2.5 (1) ...

(ii) an organisation (not falling within (i)) at which P is currently serving, or has served, as a *key function holder*, ~~senior insurance management function holder~~, ~~other approved person~~, *non-executive director*, *notified non-executive director* or *credit union non-executive director* or performed, or is currently performing, a *certification function*;

...

2.6 (1) Where a *firm* (A) seeks to obtain a reference pursuant to 2.5, A must request that the organisation giving the reference (B) discloses all matters of which B is aware that ~~are B reasonably considers to be~~ relevant to the assessment of that *person's* fitness and propriety.

...

**PRA RULEBOOK: NON-SOLVENCY II FIRMS: INSURANCE COMPANY – REPORTING
(AMENDMENT) INSTRUMENT 2017**

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in The Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules) of the Act;
 - (2) section 137T (General supplementary powers) of the Act; and
 - (3) section 137P (Control of information rules) of the Act.
- B. The rule-making powers referred to above and related provisions 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: Non-Solvency II Firms: Insurance Company - Reporting (Amendment) Instrument 2017

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

Commencement

- E. This instrument comes into force on 24 July 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Non-Solvency II Firms: Insurance Company – Reporting (Amendment) Instrument 2017.

By order of the Prudential Regulation Committee

18 July 2017

Annex

Amendments to the Insurance Company - Reporting Part

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

...

2 NON-DIRECTIVE FIRMS: REPORTING TO THE PRA

...

2.5 Every *firm* must ensure that all Forms and statements to be deposited with the *PRA* are audited in accordance with the provisions of Chapter 7 by a person qualified in accordance with the Auditors Part of the *PRA* Rulebook, with the exception of the following documents and Forms:

- (1) any directors certificates;
- (2) Form 46; ~~and~~
- (3) Form 50; and
- (4) any statements required under 4.24 and 4.25.

...

6 FORMS: REQUIREMENTS

...

6.4 All amounts, descriptions or other text ~~required to be~~ shown as supplementary notes to a Form must not be included on the face of that Form, but must be a separate statement. The title of that statement must identify the Form to which it relates.

...

PRA RULEBOOK: CRR FIRMS: REMUNERATION INSTRUMENT 2017

Powers exercised

A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):

- (1) section 137G (the PRA’s general rules);
- (2) section 137H (general rules about remuneration); and
- (3) section 137T (general supplementary powers).

B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making 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: Remuneration Instrument 2017

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

Commencement

E. This instrument comes into force on 24 July 2017.

Citation

F. This instrument may be cited as the PRA Rulebook: CRR Firms: Remuneration Instrument 2017.

By order of the Prudential Regulation Committee

18 July 2017

Annex

Amendment to the Remuneration Part

In this Annex, deleted text is struck through.

...

7 GOVERNANCE

...

7.4 A ~~CRR~~ firm that is significant in terms of its size, internal organisation and the nature, scope and complexity of its activities must establish a *remuneration* committee, and ensure that the committee:

...

...

PRA RULEBOOK: CRR FIRMS: RING-FENCING (AMENDMENT) INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (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: Ring-fencing (Amendment) Instrument 2017

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

Commencement

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

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Ring-fencing (Amendment) Instrument 2017.

By order of the Prudential Regulation Committee

18 July 2017

Amendments to the Regulatory Reporting Part

This instrument amends PRA Rulebook: CRR Firms: Ring-fencing Instrument 2017 (PRA 2017/3), which comes into force on 1 January 2019.

This instrument should be read together with PRA Rulebook: CRR Firms: IFRS 9 Regulatory Reporting Instrument 2017 in Policy Statement (PS)18/17 'IFRS 9: Changes to reporting requirements', July 2017.

The changes in PS18/17 are shown in this instrument only to the extent relevant: this instrument does not consolidate all the changes to PRA Rulebook: CRR Firms: Ring-fencing Instrument 2017 (PRA 2017/3) which are in PS18/17.

New text in this instrument 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</i> other than a <i>ring-fenced body</i>	<i>Ring-fenced body</i>	<i>Building society</i>	<i>Non-EEA bank</i>	<i>EEA bank</i> 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	[deleted.]
Description of <i>data item</i>							
<i>Annual report and accounts</i> (20)	No standard format	No standard format	-	No standard format, but in English	-	-	No standard format
<i>Annual report and accounts of the mixed-activity holding company</i> (7) (20)	No standard format	No standard format	-	-	-	-	-
Solvency statement (8)	No standard format	-	-	-	-	-	-
Balance sheet	Either: (1) Templates 1.1, 1.2, 1.3 at Annex III of	Either: (1) Templates 1.1, 1.2, 1.3 at Annex III of the	Either: (1) Templates 1.1, 1.2, 1.3 at Annex III of the <i>Supervisory</i>	-	-	[deleted.]	-

	the <i>Supervisory Reporting ITS</i> ; or (2) Templates 1.1, 1.2, 1.3 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))	<i>Supervisory Reporting ITS</i> ; or (2) Templates 1.1, 1.2, 1.3 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21), (22) (28))	<i>Reporting ITS</i> ; or (2) Templates 1.1, 1.2, 1.3 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))				
[deleted.]	[deleted.]	-	[deleted.]	[deleted.]	-	[deleted.]	-
Statement of profit or loss	Either: (1) Template 2 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Template 2 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))	Either: (1) Template 2 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Template 2 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21), (22) (28))	Either: (1) Template 2 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Template 2 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))	Either: (1) Template 2 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Template 2 at Annex IV of the <i>Supervisory Reporting ITS</i> (21)	-	-	-
Statement of comprehensive income	Either: (1) Template 3 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Template 3 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))	Either: (1) Template 3 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Template 3 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21), (22) (28))	Either: (1) Template 3 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Template 3 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2),(21))	-	-	-	-
Capital adequacy	-	-	-	-	-	[deleted.]	-
Market risk	FSA005 ((2),(3))	FSA005 ((2),(3), (22) (28))	FSA005 ((2),(3))	-	-	-	-
Market risk –	FSA006 (4)	FSA006 (4)	-	-	-	-	-

supplementary							
Large exposures	-	-	-	-	-	[deleted.]	-
Exposures between core UK group and non-core large exposures group	FSA018 (10)	FSA018 (10)	FSA018 (10)	-	-	-	-
Liquidity (other than stock)	-	-	FSA011	-	-	[deleted.]	-
Forecast data	PRA104 (9) PRA105 (9) PRA106 (9) PRA107 (9)	PRA104 (23) (29) PRA105 (23) (29) PRA106 (23) (29) PRA107 (23) (29)	PRA104 (9) PRA105 (9) PRA106 (9) PRA107 (9)	-	-	-	-
Solo consolidation data	FSA016 (5)	FSA016 (5)	FSA016 (5)	-	-	-	-
Interest rate gap report	FSA017 (2)	FSA017 ((2),(22) (28))	FSA017 (2)	-	-	-	-
Sectoral information, including arrears and impairment	FSA015 ((2), (22))	FSA015 ((2), (22), (28))	FSA015 ((2), (22))	-	-	-	-
IRB portfolio risk	FSA045 ((2),(11))	FSA045 ((2),(11), (22) (28))	FSA045 ((2),(11))	-	-	-	-
Daily Flows	FSA047 ((13), (16) and (18))	FSA047 ((13), (16) and (18))	FSA047 ((13), (16) and (18))	FSA047 ((13), (15), (16) and (18))	FSA047 ((13), (15), (16) and (18))	-	-
Enhanced Mismatch Report	FSA048 ((13), (16) and (18))	FSA048 ((13), (16) and (18))	FSA048 ((13), (16) and (18))	FSA048 ((13), (15), (16) and (18))	FSA048 ((13), (15), (16) and (18))	-	-
Memorandum items	PRA 108 (2)	PRA 108 ((2), (22) (28))	PRA 108 (2)	-	-	-	-

Financial assets at fair value through other comprehensive income	Either: (1) Templates 4.3.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 4.3.1 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (23), (27))	<u>Either:</u> (1) <u>Templates 4.3.1 at Annex III of the <i>Supervisory Reporting ITS</i></u> ; or (2) <u>Templates 4.3.1 at Annex IV of the <i>Supervisory Reporting ITS</i></u> <u>((2), (21), (23), (28))</u>	Either: (1) Templates 4.3.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 4.3.1 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (23), (27))	=	=	=	=
Financial assets at amortised cost	Either: (1) Templates 4.4.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 4.4.1 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (23), (27))	<u>Either:</u> (1) <u>Templates 4.4.1 at Annex III of the <i>Supervisory Reporting ITS</i></u> ; or (2) <u>Templates 4.4.1 at Annex IV of the <i>Supervisory Reporting ITS</i></u> <u>((2), (21), (23), (28))</u>	Either: (1) Templates 4.4.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 4.4.1 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (23), (27))	=	=	=	=
Loans and advances other than held for trading and trading assets by product	Either: (1) Templates 5.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 5.1 at Annex IV of the <i>Supervisory Reporting</i>	<u>Either:</u> (1) <u>Templates 5.1 at Annex III of the <i>Supervisory Reporting ITS</i></u> ; or (2) <u>Templates 5.1 at Annex IV of the</u>	Either: (1) Templates 5.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 5.1 at Annex IV of the <i>Supervisory Reporting ITS</i>	=	=	=	=

	<i>ITS</i> ((2), (21), (23), (27))	<u><i>Supervisory Reporting ITS</i></u> ((2), (21), (23), (28))	((2), (21), (23), (27))				
Financial assets subject to impairment that are past due	Either: (1) Templates 7.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 7.1 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (23), (27))	Either: (1) <u>Templates 7.1 at Annex III of the <i>Supervisory Reporting ITS</i></u> ; or (2) <u>Templates 7.1 at Annex IV of the <i>Supervisory Reporting ITS</i></u> ((2), (21), (23), (28))	Either: (1) Templates 7.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 7.1 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (23), (27))	=	=	=	=
Off-balance sheet exposures and commitments and guarantees measured at fair value: Loan commitments, financial guarantees and other commitments given	Either: (1) Templates 9.1.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 9.1.1 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (23), (27))	Either: (1) <u>Templates 9.1.1 at Annex III of the <i>Supervisory Reporting ITS</i></u> ; or (2) <u>Templates 9.1.1 at Annex IV of the <i>Supervisory Reporting ITS</i></u> ((2), (21), (23), (28))	Either: (1) Templates 9.1.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 9.1.1 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (23), (27))	=	=	=	=
Movements in allowances and provisions for credit losses	Either: (1) Templates 12.1 at Annex III of the <i>Supervisory Reporting</i>	Either: (1) <u>Templates 12.1 at Annex III of the <i>Supervisory Reporting</i></u>	Either: (1) Templates 12.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or	=	=	=	=

	<p><i>ITS</i>; or</p> <p>(2) Templates 12.1 at Annex IV of the <i>Supervisory Reporting ITS</i></p> <p>((2), (21), (23), (27))</p>	<p><i>ITS</i>; or</p> <p>(2) Templates 12.1 at Annex IV of the <i>Supervisory Reporting ITS</i></p> <p>((2), (21), (23), (28))</p>	<p>(2) Templates 12.1 at Annex IV of the <i>Supervisory Reporting ITS</i></p> <p>((2), (21), (23), (27))</p>				
<p>Transfers between impairment stages (gross basis presentation)</p>	<p>Either:</p> <p>(1) Templates 12.2 at Annex III of the <i>Supervisory Reporting ITS</i>; or</p> <p>(2) Templates 12.2 at Annex IV of the <i>Supervisory Reporting ITS</i></p> <p>((2), (21), (24), (27))</p>	<p>Either:</p> <p>(1) Templates 12.2 at Annex III of the <i>Supervisory Reporting ITS</i>; or</p> <p>(2) Templates 12.2 at Annex IV of the <i>Supervisory Reporting ITS</i></p> <p>((2), (21), (23), (28), (33), (34))</p>	<p>Either:</p> <p>(1) Templates 12.2 at Annex III of the <i>Supervisory Reporting ITS</i>; or</p> <p>(2) Templates 12.2 at Annex IV of the <i>Supervisory Reporting ITS</i></p> <p>((2), (21), (24), (27))</p>	=	=	=	=
<p>Breakdown of collateral and guarantees by loans and advances other than held for trading</p>	<p>Either:</p> <p>(1) Templates 13.1 at Annex III of the <i>Supervisory Reporting ITS</i>; or</p> <p>(2) Templates 13.1 at Annex IV of the <i>Supervisory Reporting ITS</i></p> <p>((2), (21), (24), (27))</p>	<p>Either:</p> <p>(1) Templates 13.1 at Annex III of the <i>Supervisory Reporting ITS</i>; or</p> <p>(2) Templates 13.1 at Annex IV of the <i>Supervisory Reporting ITS</i></p> <p>((2), (21), (23), (28), (33), (34))</p>	<p>Either:</p> <p>(1) Templates 13.1 at Annex III of the <i>Supervisory Reporting ITS</i>; or</p> <p>(2) Templates 13.1 at Annex IV of the <i>Supervisory Reporting ITS</i></p> <p>((2), (21), (24), (27))</p>	=	=	=	=

<p>Information on performing and non-performing exposures</p>	<p>Either: (1) Templates 18 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Templates 18 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (25), (27))</p>	<p>Either: (1) <u>Templates 18 at Annex III of the <i>Supervisory Reporting ITS</i></u>; or (2) <u>Templates 18 at Annex IV of the <i>Supervisory Reporting ITS</i></u> ((2), (21), (28), (33),(34))</p>	<p>Either: (1) Templates 18 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Templates 18 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (25), (27))</p>	<p>=</p>	<p>=</p>	<p>=</p>	<p>=</p>
<p>Forborne exposures</p>	<p>Either: (1) Templates 19 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Templates 19 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (25), (27))</p>	<p>Either: (1) <u>Templates 19 at Annex III of the <i>Supervisory Reporting ITS</i></u>; or (2) <u>Templates 19 at Annex IV of the <i>Supervisory Reporting ITS</i></u> ((2), (21), (28), (33), (34))</p>	<p>Either: (1) Templates 19 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Templates 19 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (25), (27))</p>	<p>=</p>	<p>=</p>	<p>=</p>	<p>=</p>
<p>Geographical breakdown of assets by residence of the counterparty</p>	<p>Either: (1) Templates 20.4 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Templates 20.4 at Annex IV of the <i>Supervisory Reporting</i></p>	<p>Either: (1) <u>Templates 20.4 at Annex III of the <i>Supervisory Reporting ITS</i></u>; or (2) <u>Templates 20.4 at Annex IV of the</u></p>	<p>Either: (1) Templates 20.4 at Annex III of the <i>Supervisory Reporting ITS</i>; or (2) Templates 20.4 at Annex IV of the <i>Supervisory Reporting ITS</i></p>	<p>=</p>	<p>=</p>	<p>=</p>	<p>=</p>

	<i>ITS</i> ((2), (21), (24), (26), (27))	<u><i>Supervisory Reporting ITS</i></u> <u>((2), (21), (23), (26), (28), (33), (34))</u>	((2), (21), (24), (26), (27))				
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 <i>Supervisory Reporting ITS</i> ; or (2) Templates 20.7.1 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (24), (26), (27))	Either: (1) Templates 20.7.1 at Annex III of the <u><i>Supervisory Reporting ITS</i></u> ; or (2) Templates 20.7.1 at Annex IV of the <u><i>Supervisory Reporting ITS</i></u> <u>((2), (21), (23), (26), (28), (33), (34))</u>	Either: (1) Templates 20.7.1 at Annex III of the <i>Supervisory Reporting ITS</i> ; or (2) Templates 20.7.1 at Annex IV of the <i>Supervisory Reporting ITS</i> ((2), (21), (24), (26), (27))	=	=	=	=
Intragroup exposures	-	RFB001 (24) (30)	-	-	-	-	-
Intragroup funding	-	RFB002 (24) (30)	-	-	-	-	-
Intragroup financial reporting (core)	-	RFB003 (24) (30)	-	-	-	-	-
Intragroup financial reporting (detailed breakdown)	-	RFB004 (24) (30)	-	-	-	-	-
Joint and several liability arising from taxes	-	RFB005 (25) (31)	-	-	-	-	-
Excluded activity entities	-	RFB006 (25) (31)	-	-	-	-	-
Use of financial market	-	RFB007 (25) (31)	-	-	-	-	-

infrastructures							
Excluded activities and prohibitions	-	RFB008 (32)	-	-	-	-	-

...

(2) *Firms* that are members of a *UK consolidation group* must also submit this data item on a *UK consolidation group* basis.

...

(21) A *firm* which is a *IFRS firm* must use the templates at Annex III of the *Supervisory Reporting ITS*. Any other *firm* must use the templates at Annex IV of the *Supervisory Reporting ITS*.

(22) Not applicable either to a *firm* which is a *IFRS firm* or *Opt-in IFRS 9 firm*.

(23) Only applicable to a *firm* which is a *IFRS firm* or *Opt-in IFRS 9 firm*.

(24) Only applicable to a *firm* which is a *IFRS firm* or *Opt-in IFRS 9 firm*, and which has *total assets* equal to or greater than £5 billion on an individual basis or *UK consolidation group* basis. If this *data item* applies to a *IFRS firm* or *Opt-in IFRS 9 firm* due to the level of *total assets* calculated on the basis of its *UK consolidation group* only, the *firm* must report the item only at the *UK consolidation group* level. If, during any reporting period as set out in 7.2, the *total assets* of a *IFRS firm* or *Opt-in IFRS 9 firm* become equal to or greater than £5 billion on an individual basis or *UK consolidation group* basis, the *firm* is required to start reporting this *data item* from the following reporting period. This requirement stops applying to a *firm* if its *total assets* on both an individual basis and *UK consolidation group* basis reduce to less than £5 billion for at least two consecutive reporting periods as set out in 7.2, in which case the *firm* does not report this item from the following reporting period.

(25) Only applicable to a *firm* which has *total assets* equal to or greater than £5 billion on an individual basis or on a *UK consolidation group* basis. If this *data item* applies to a *firm* due to the level of *total assets* calculated on the basis of its *UK consolidation group* only, the *firm* must report the item only at the *UK consolidation group* level. If, during any reporting period as set out in 7.2, the *total assets* of a *firm* become equal to or greater than £5 billion on an individual basis or *UK consolidation group* basis, the *firm* is required to start reporting this *data item* from the following reporting period. This requirement stops applying to a *firm* if its *total assets* on both an individual basis and *UK consolidation group* basis reduce to less than £5 billion for at least two consecutive reporting periods as set out in 7.2, in which case the *firm* does not report this item from the following reporting period.

(26) Annex III applies in accordance with Article 9(2)(d) and Annex IV in accordance with Article 11(2)(d) of the *Supervisory Reporting ITS*.

(27) *Firms* in a *UK consolidation group* that does not include one or more *ring-fenced bodies* are exempt from individually reporting this *data item* where they satisfy each of the following conditions:

- (a) during the two most recent successive reporting periods set out in 7.2, one *firm* in the *UK consolidation group* (“Firm A”) contributed more than 95% of the consolidated *total assets* in the *UK consolidation group* (where the contribution to consolidated *total assets* is calculated as Firm A’s *total assets* less any *assets* resulting from *intra-group* transactions with the other members of the *UK consolidation group*);
- (b) a representative member of the *UK consolidation group* notifies the *PRA* within 30 *business days* of the end of the previous reporting period; and
- (c) this *data item* is reported at the level of the *UK consolidation group*.

The contribution of Firm A to the consolidated *total assets* in the *UK consolidation group* must be reassessed at the end of each reporting period. If, for a given reporting period, Firm A ceases to contribute more than 95% of the consolidated *total assets* in the *UK consolidation group*, this exemption is no longer available to the members of the *UK consolidation group*, and a representative member of the *UK consolidation group* must notify the *PRA* of that fact within 30 *business days* of the end of that reporting period.

~~(22)~~(28) *Ring-fenced bodies* within a *sub-consolidation group* must also submit the *data item* on a *sub-consolidated basis*.

~~(23)~~(29) *Ring-fenced bodies* that are within a *sub-consolidation group* must submit this *data item* at the *UK consolidation group* level and on a *sub-consolidated basis* only. *Ring-fenced bodies* that are not within a *sub-consolidation group* but are within a *UK consolidation group* must submit this *data item* at the *UK consolidation group* level only.

~~(24)~~(30) *Ring-fenced bodies* within a *sub-consolidation group* must submit the *data item* on a *sub-consolidated basis* only.

~~(25)~~(31) The *data item* may be submitted by a single *ring-fenced body* in a *sub-consolidation group*.

(32) *Ring-fenced bodies* within a *sub-consolidation group* must also submit the *data item* at the level of the *sub-consolidation group*. When completing the *data item*, the *ring-fenced body* must aggregate gross values for each entity within the *sub-consolidation group* without netting any intragroup transactions.

(33) A *ring-fenced body* is not required to submit this *data item* on an individual basis if the *ring-fenced body* has *total assets* of less than £5 billion on an individual basis. If, during any reporting period set out in 7.2, the *ring-fenced body’s total assets* increase to £5 billion or more on an individual basis, the *ring-fenced body* is required to start reporting this *data item* from the following reporting period on an individual basis. If the *ring-fenced body’s total assets* on an individual basis reduce to less than £5 billion for at least two consecutive reporting periods as set out in 7.2, the *ring-fenced body* does not report this *data item* from the following reporting period on an individual basis.

(34) A *ring-fenced body* is not required to submit this *data item* on a *sub-consolidated basis* if the *ring-fenced body* has *total assets* of less than £5 billion on a *sub-consolidated basis*. If, during any reporting period set out in 7.2, the *ring-fenced body’s total assets* increase to £5 billion or more on a *sub-consolidated basis*, the *ring-fenced body* is required to start reporting this *data item* from the following reporting period on a *sub-consolidated basis*. If the *ring-fenced body’s total assets* on a *sub-consolidated basis* reduce to less than £5 billion for at least two consecutive reporting periods as set out in 7.2, the *ring-fenced body* does not report this *data item* from the following reporting period on a *sub-consolidated basis*.

16 DATA ITEMS AND OTHER FORMS

...

16.35 RFB001 can be found ~~here~~[here](#).

16.36 RFB002 can be found ~~here~~[here](#).

16.37 RFB003 can be found ~~here~~[here](#).

16.38 RFB004 can be found ~~here~~[here](#).

16.39 RFB005 can be found ~~here~~[here](#).

16.40 RFB006 can be found ~~here~~[here](#).

16.41 RFB007 can be found ~~here~~[here](#).

16.42 RFB008 can be found ~~here~~[here](#).

Externally defined glossary terms

Term	Definition source
<i>ring-fenced body</i>	Section 417(1) FSMA
<i>sub-consolidated basis</i>	Article 4(1)(49) CRR

PRA RULEBOOK: CRR FIRMS: REGULATORY REPORTING AMENDMENT INSTRUMENT 2017

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 Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 October 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Regulatory Reporting Amendment Instrument 2017.

By order of the Prudential Regulation Committee

18 July 2017

Annex A

Amendments to the Regulatory Reporting Part

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

1 APPLICATION AND DEFINITIONS

...

1.2

...

~~whole-firm liquidity modification~~

~~means a modification to the overall liquidity adequacy rule of the kind described in BIPRU 12.8.22G in the PRA Handbook as in effect on 30 September 2015 granted to a firm and in effect on that date.~~

...

14 TRANSITIONAL PROVISIONS – WAIVERS

...

14.4 This Chapter does not apply in relation to a *waiver* that is an *intra-group liquidity modification* ~~or a whole-firm liquidity modification~~.

...

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](#).

...

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

Powers exercised

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

Pre-conditions to making

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

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

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

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

Commencement

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

Citation

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

By order of the Prudential Regulation Committee

21 September 2017

Annex A

Amendments to the Leverage Ratio Part

In this Annex new text is underlined.

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

central bank claims

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

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

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

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

...

total exposure measure

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

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

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

...

3 MINIMUM LEVERAGE RATIO

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

...

Annex B

Amendments to the Reporting Leverage Ratio Part

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

...

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](#).

PRA RULEBOOK: CRR FIRMS: REPORTING PILLAR 2 AMENDMENT NO. 1 INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (1) section 137G (The PRA’s general rules);
 - (2) section 137T (General supplementary powers); and
- 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: Reporting Pillar 2 Amendment No. 1 Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 January 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Reporting Pillar 2 Amendment No. 1 Instrument 2017.

By order of the Prudential Regulation Committee

26 September 2017

Annex

Amendments to the Reporting Pillar 2 Part

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

1 APPLICATION AND DEFINITIONS

....

1.6

In this Part the following definitions shall apply:

.....

data item

means an item referred to in 4.

....

Standardised Approach to credit risk

means the approach to credit risk set out in Chapter 2 of Title II of CRR.

....

2 PILLAR 2 REPORTING REQUIREMENTS

....

2.7 *A firm must complete the data item FSA076 for any wholesale portfolio of exposures for which capital requirements are calculated using the Standardised Approach to credit risk.*

2.8 *A firm must complete the data item FSA077 for any retail portfolio of exposures for which capital requirements are calculated using the Standardised Approach to credit risk.*

....

4 DATA ITEMS

....

4.11 FSA076 can be found [here](#).

4.12 FSA077 can be found [here](#).

**PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS: SENIOR MANAGERS REGIME AMENDMENT
INSTRUMENT (No. 2) 2017**

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 60 (Applications for approvals);
 - (2) section 137G (The PRA’s general rules); and
 - (3) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making 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: SENIOR MANAGERS REGIME AMENDMENT
INSTRUMENT (No. 2) 2017**

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

Commencement

- E. The Annexes to this instrument come into force on 12 November 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms, Non CRR Firms: Senior Managers Regime Amendment (No. 2) Instrument 2017.

By order of the Prudential Regulation Committee

26 September 2017

Annex A

Amendments to the Senior Managers Regime - Applications and Notifications Part

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

...

2 APPLICATION TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

...

2.7

...

- (2) A *statement of responsibilities* must be in the form set out:
- (a) for a *third country CRR firm*, in the form set out ~~here~~ [here](#); and
 - (b) for all other *firms*, in the form set out ~~here~~ [here](#).

...

8 FORMS

...

- 8.1 (1) Form A (long form) may be found ~~here~~ [here](#).
- (2) Form A (shortened form) may be found ~~here~~ [here](#).
-
- (6) Form E may be found ~~here~~ [here](#).

Annex B

Amendments to Forms

In the following amendments, new text has been underlined and deleted text is struck through.

Form A (long form and short form)

3.02 For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one *firm*, please go to question **3.04**

Function	Description of a Senior Management Function	Tick (if applicable)	Effective Date
SMF 1	Chief Executive function		
SMF 2	Chief Finance function		
SMF 3	Executive Director		
SMF 4	Chief Risk function		
SMF 5	Head of Internal Audit		
SMF 6	Head of Key Business Area		
SMF 7	Group Entity Senior Manager		
SMF 8	Credit Union SMF		
SMF 9	Chairman		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nomination Committee		
SMF14	Senior Independent Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		

The above question(s) should be completed whether submission of this form is online or in one of the other in SUP 15.7 or in 'Senior Managers Regime – Applications and Notifications' in the *PRA* Rulebook.

Function	Description of a Senior Management Function	Tick (if applicable)	Effective Date
SMF18	Other overall responsibility function		
SMF19	Head of Overseas Branch		
SMF22	Other local responsibility function		
<u>SMF24</u>	<u>Chief Operations function</u>		

Form E

4.02 For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed.

If the *senior management functions* are to be performed for more than one *firm*, please go to question 4.04

Function	Description of a Senior Manager function	Tick applicable) (if	Effective Date
SMF 1	Chief Executive function		
SMF 2	Chief Finance function		
SMF 3	Executive Director		
SMF 4	Chief Risk function		
SMF 5	Head of Internal Audit		
SMF 6	Head of Key Business Area		
SMF 7	Group Entity Senior Manager		
SMF 8	Credit Union SMF (small Credit Unions only)		
SMF 9	Chairman		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nominations Committee		
SMF14	Senior Independent Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		
SMF18	Other overall responsibility function		
SMF19	Head of Overseas Branch		
SMF 21	EEA Branch Senior Manager function		
SMF22	Other local responsibility function		
<u>SMF24</u>	<u>Chief Operations function</u>		

Statement of responsibilities

3.1.2 List all *senior management functions* which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions.

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

SMF	Description	Tick SMF applied for or held	Effective Date
SMF1	Chief Executive function		
SMF2	Chief Finance function		
SMF3	Executive Director		
SMF4	Chief Risk function		
SMF5	Head of Internal Audit		
SMF6	Head of Key Business Area		
SMF7	Group Entity Senior Manager		
SMF8	Credit Union SMF (small Credit Unions only)		
SMF9	Chairman		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nominations Committee		
SMF14	Senior Independent Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		
SMF18	Other Overall Responsibility function		
<u>SMF24</u>	<u>Chief Operations function</u>		

3.2 Prescribed Responsibilities

...

Ref	Prescribed Responsibility (Applicable to all firms except small firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
r	The firm's recovery plan and resolution pack and overseeing the internal processes regarding their	Yes / No	Yes / No
s	Responsibility for managing the firm's internal stress-tests and ensuring the accuracy and timeliness of information provided to the PRA and other regulatory bodies for the purposes of stress-testing;	Yes / No	Yes / No
t	Responsibility for the development and maintenance of the firm's business model by the governing body;	Yes / No	Yes / No
u	Responsibility for the firm's performance of its obligations under <i>Fitness and Propriety</i> (in the PRA Rulebook) in respect of its notified non-executive directors	Yes / No	Yes / No
u-av	Responsibility for the firm's performance of its obligations under the Outsourcing part of the Rulebook	Yes / No	Yes/ No

Statement of responsibilities (third country CRR firms)

3.1.2 List all *senior management functions* which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions.

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

SMF	Description	Tick SMF applied for or held	Effective Date
SMF2	Chief Finance function		
SMF3	Executive Director		
SMF4	Chief Risk function		
SMF5	Head of Internal Audit		
SMF7	Group Entity Senior Manager		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		
SMF19	Head of Overseas Branch		
SMF22	Other local responsibility function		
<u>SMF24</u>	<u>Chief Operations function</u>		

3.2 Prescribed Responsibilities

...

Ref	Prescribed Responsibility (Applicable to all firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
za	Responsibility for the branch's performance of its obligations under the senior management regime	Yes No	Yes No
zb	Responsibility for the branch's performance of its obligations under the employee certification regime	Yes No	Yes No
zc	Responsibility for compliance with the requirements of the regulatory system about the management	Yes No	Yes No
zd	Responsibility for management of the UK branch's risk management processes in the UK	Yes No	Yes No
ze	Responsibility for the branch's compliance with the UK regulatory system applicable to the branch	Yes No	Yes No
zf	Responsibility for the escalation of correspondence from the PRA, FCA and other regulators in respect of the branch to the governing body and/or the management	Yes No	Yes No
zg	Local responsibility for the branch's policies and procedures for countering the risk that the branch	Yes No	Yes No
zh	Local responsibility for the branch's compliance with CASS	Yes No	Yes No
zi	Responsibility for management of the branch's systems and controls in the UK	Yes No	Yes No
zj	Responsibility for the allocation of all UK branch prescribed responsibilities	Yes No	Yes No
zk	Responsibility for the management of the branch's liquidity or, where a liquidity waiver is in place, the	Yes No	Yes No
zl	Responsibility for the production and integrity of the branch's financial information and its regulatory	Yes No	Yes No
zm	Responsibility for the branch's performance of its obligations under the Outsourcing part of the Rulebook	Yes No	Yes No

PRA RULEBOOK: ADMINISTRATION INSTRUMENT (No. 3) 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) paragraph 31 of Schedule 1ZB (Fees).
- 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: Administration Instrument (No. 3) 2017

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

Part	Annex
Conduct Rules	A
Insurance – Senior Insurance Management Functions	B
Regulatory Reporting	C
Regulatory Reporting	D
Fees	E

Commencement

- E. Annexes A, B, and E come into force on 7 November 2017.
Annex C comes into force on 1 January 2019.
Annex D comes into force on 1 January 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: Administration Instrument (No. 3) 2017.

By order of the Prudential Regulation Committee

31 October 2017

Annex A

Amendments to the Conduct Rules 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:

director

means, in relation to a *firm*, a *person* who is a member of the board of directors of the *firm* or, if there is no such board, the equivalent body responsible for the management of the *firm*;

...

Annex B

Amendments to the Insurance – Senior Insurance Management Functions Part

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

...

6A HEAD OF SMALL RUN-OFF FIRM

...

6A.2 The *Head of small run-off firm function* (SIMF-26) is the function of:

(1) having responsibility for the conduct of the *regulated activities*; or

(2) chairing the *governing body*

of a *small run-off firm*.

...

Annex C

Amendments to the Regulatory Reporting Part

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

1 APPLICATIONS AND DEFINITIONS

...

initial Capital+ reference date

means:

- (1) In relation to a data item which a ring-fenced body must submit on a sub-consolidated basis in accordance with 20.22A, the first of the firm's Capital+ reference dates after the firm became subject to the Ring-Fenced Bodies Part of ~~the PRA Handbook~~; or

...

Annex D

Amendments to the Regulatory Reporting Part

...

7 REGULATED ACTIVITY GROUP 1

7.1

...

(27) *Firms* in a *UK consolidation group* are exempt from individually reporting this *data item* where they satisfy each of the following conditions:

(a) during the two most recent successive reporting periods set out in 7.2, one *firm* in the *UK consolidation group* ("Firm A") contributed more than 95% of the consolidated *total assets* in the *UK consolidation group* (where the contribution to consolidated *total assets* is calculated as Firm A's *total assets* less any ~~assets~~ assets resulting from *intra-group transactions* with the other members of the *UK consolidation group*);

(b) a representative member of the *UK consolidation group* notifies the *PRA* within 30 *business days* of the end of the previous reporting period; and

(c) this *data item* is reported at the level of the *UK consolidation group*.

The contribution of Firm A to the consolidated *total assets* in the *UK consolidation group* must be reassessed at the end of each reporting period. If, for a given reporting period, Firm A ceases to contribute more than 95% of the consolidated *total assets* in the *UK consolidation group*, this exemption is no longer available to the members of the *UK consolidation group*, and a representative member of the *UK consolidation group* must notify the *PRA* of that fact within 30 *business days* of the end of that reporting period.

...

Annex E

Amendments to the Fees Part

...

4 REGULATORY TRANSACTION FEES

...

4.14B (1) Where a *UK Solvency II firm* or a *Solvency II undertaking* seeks permission for an *internal model*, the fee payable is as set out in Table E below, subject to 4.14B(2) and 4.14B(3).

(2) Where a *firm* or a *group* falls within both the *general insurance fee block* and the *life insurance fee block*, the fee payable is the greater of the fees due under each *fee block*.

(2) Where a *Solvency II undertaking* seeks permission for a *group internal model* which includes one or more *UK Solvency II firms* within its scope, the fee is calculated using aggregated tariff data for all in-scope *UK Solvency II firms*, and is payable by such of those *firms* and in such proportions as the *PRA* directs-.

...

PRA RULEBOOK: PRA PERIODIC FEES (2017/18) CORRECTION INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (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 Periodic Fees (2017/18) Correction Instrument 2017

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

Commencement

- E. This instrument comes into force on 6 November 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: PRA Periodic Fees (2017/18) Correction Instrument 2017.

By order of the Prudential Regulation Committee

31 October 2017

Annex

Amendments to the Fees Part

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated:

3 PERIODIC FEES

...

TABLE III – PERIODIC FEE RATES APPLICABLE TO PRA FEE BLOCKS OTHER THAN THE MINIMUM AND TRANSITION COSTS FEE BLOCKS FOR THE FEE YEAR 2017-18

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	<i>modified eligible liabilities</i>	Band width (£million of <i>MELs</i>)	Fee payable per million or part million of <i>MELs</i> (£)
		>10 - 140	<u>37.4933.97</u>
		>140 - 630	<u>37.4933.97</u>
		>630 - 1,580	<u>37.4933.97</u>
		>1,580 - 13,400	<u>46.8642.46</u>
		>13,400	<u>61.8656.05</u>
A3 general insurers fee block	<i>gross premium income (GPI)</i>	Band width (£million of <i>GPI</i>)	Fee payable per million of <i>GPI</i> (£)
		>0.5	<u>583.14580.70</u>
	<i>gross technical liabilities (GTL)</i>	Band Width (£ million of <i>GTL</i>)	Fee payable per million of <i>GTL</i> (£)
		>1	<u>32.8232.63</u>
For <i>UK ISPVs</i> 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	<i>adjusted gross annual premium income (AGPI)</i>	Band width (£million of <i>AGPI</i>)	Fee payable per million of <i>AGPI</i> (£)
		>1	<u>567.65567.64</u>
<i>adjusted gross</i>			

annual income (AGPI) +mathematical reserves	mathematical reserves		
		Band width (£million of <i>mathematical reserves for fees purposes</i>)	Fee per million or part million of <i>mathematical reserves for fees purposes</i> (£)
		>1	11.95
A5 managing agents at Lloyd's	active capacity	Band width (£million of active capacity)	Fee per million of <i>active capacity</i> (£)
		>50	53.20 53.17
A6 Society of Lloyd's	flat fee	N/A	General periodic fee (£) 1,827,317.70
A10 Firms dealing as principal fee block	fee per trader	Fee (£ per trader)	6,154.30 6,154.22

**PRA RULEBOOK: SOLVENCY II FIRMS: NON SOLVENCY II FIRMS: TRANSFORMER
VEHICLES INSTRUMENT 2017**

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (1) section 137G (The PRA’s general rules); and
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to in A 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: Transformer Vehicles Instrument
2017**

- D. The PRA makes the rules in Annex A, Annex B and Annex C to this instrument.

Commencement

- E. This instrument comes into force on 8 December 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Non Solvency II Firms: Transformer Vehicles Instrument 2017.

By order of the Prudential Regulation Committee

7 December 2017.

Annex A

Amendments to the Glossary

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

...

insurance risk transformation

means the regulated activity specified in Article 13A of the Regulated Activities Order (Transformer vehicles: insurance risk transformation).

...

insurance undertaking

means an undertaking ~~(except for an ISPV)~~ or a member, that carries on insurance business, whether or not an insurer.

...

insurer

means a firm with permission to effect contracts of insurance or carry out contracts of insurance ~~(other than an ISPV)~~.

...

ISPV

means: an undertaking, whether incorporated or not, other than a Solvency II undertaking, which has received authorisation in accordance with Article 211(1) or (3) of the Solvency II Directive and which:

(1) ~~assumes risks from Solvency II undertakings; 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 Solvency II undertaking in respect of the risks referred to in (1).~~

~~[Note: Art. 13(26) of the Solvency II Directive]~~

(1) a UK ISPV; or

(2) any other undertaking that is a Solvency II special purpose vehicle.

...

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 UK ISPV; and~~

(32) a *third country branch undertaking*.

...

Solvency II special purpose vehicle

means an *undertaking*, whether incorporated or not, other than a *Solvency II undertaking*, which has received authorisation in accordance with Article 211(1) or (3) of the *Solvency II Directive* and which:

(1) assumes risks from *Solvency II undertakings*; 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 *Solvency II undertaking* in respect of the risks referred to in (1).

[Note: Art. 13(26) of the Solvency II Directive]

...

UK ISPV

means an *ISPV undertaking* with a *Part 4A permission to ~~effect contracts of insurance~~ or ~~carry out contracts of insurance~~ carry on the regulated activity of insurance risk transformation.*

...

Annex B

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

Part

INSURANCE SPECIAL PURPOSE VEHICLES

Chapter content

1. APPLICATION AND DEFINITIONS
2. GENERAL PROVISIONS
3. APPLICATION OF SOLVENCY II REGULATIONS TO UK ISPVS WITH PART 4A PERMISSION
4. MULTI-ARRANGEMENT ISPVS
5. RESTRICTION OF ACTIVITIES
6. FORMS

Links

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to a UK ISPV (including a UK ISPV that is a non-Solvency 2 transformer vehicle).

1.2 In this Part, the following definitions shall apply:

assumption of risk notification

means a notification by a UK protected cell company of the assumption of a risk required under regulation 60 of the Risk Transformation Regulations.

group of cells

has the meaning given in regulation 3 of the Risk Transformation Regulations.

group of cells notification form

means the form in 6.2.

inter-cell arrangement notification

means a notification by a UK protected cell company of:

- (1) the creation of an arrangement within a group of cells, as required by regulation 69 of the Risk Transformation Regulations; or
- (2) the amendment or cancellation of an arrangement within a group of cells, as required by regulation 70 of the Risk Transformation Regulations.

MISPV new risk assumption notification form

means the form in 6.1.

multi-arrangement special purpose vehicle

has the meaning given in Article 2 of the Commission Implementing Regulation (EU) 2015/462.

non-Solvency 2 transformer vehicle

has the meaning given in regulation 9(1) of the Risk Transformation Regulations.

Risk Transformation Regulations

means the Risk Transformation Regulations 2017 (2017/1212).

UK multi-arrangement ISPV

means:

- (1) a UK ISPV that is a multi-arrangement special purpose vehicle; and
- (2) a UK ISPV that is a non-Solvency 2 transformer vehicle which assumes risks under more than one separate contractual arrangement from one or more undertaking(s).

UK protected cell company

means a protected cell company formed under the *Risk Transformation Regulations*.

2 GENERAL PROVISIONS

2.1 A UK ISPV must ensure that at all times:

(1) it is fully funded; and

(2) if it is a UK multi-arrangement ISPV, each group of cells (if any) is fully funded.

3 APPLICATION OF SOLVENCY II REGULATIONS TO UK ISPVS WITH PART 4A PERMISSION

3.1 ~~[deleted] Where a UK ISPV has a Part 4A permission to effect contracts of insurance or carry out contracts of insurance as an ISPV in force prior to 1 January 2016, that Part 4A permission shall continue to have effect thereafter provided that the UK ISPV satisfies the requirements of the Solvency II Regulations that are relevant to ISPVs on that date.~~

3.1A A UK ISPV that is a non-Solvency 2 transformer vehicle must apply any relevant provision of the Solvency II Regulations as at 1 January 2016 in order to achieve the same effect as that provision of the Solvency II Regulations would have (that is, conforming with the requirements of the relevant provision) when applied to a Solvency II special purpose vehicle.

4 MULTI-ARRANGEMENT ISPVS

4.1 This Chapter only applies to a UK multi-arrangement ISPV.

4.2 A UK multi-arrangement ISPV must be a UK protected cell company.

4.3 An assumption of risk notification must be submitted using the MISPV new risk assumption notification form.

4.4 An inter-cell arrangement notification must be submitted using the group of cells notification form.

5 RESTRICTION OF ACTIVITIES

5.1 A UK ISPV must not engage in any activities other than insurance risk transformation and activities directly arising from insurance risk transformation.

6 FORMS

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

6.2 The group of cells notification form can be found [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

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

- (a) an *incoming firm*;
- (b) a *non-directive friendly society*; and
- (c) a UK ISPV.

...

PRA RULEBOOK: PRA FEES AMENDMENT INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (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 2017

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

Commencement

- E. This instrument comes into force on 18 December 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: PRA Fees Amendment Instrument 2017.

By order of the Prudential Regulation Committee

4 December 2017

Annex

Amendments to the Fees Part

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

...

3 PERIODIC FEES

...

3.6 The following requirements apply to all *firms* whose activities give rise to *periodic fees*, other than *firms* which pay only a flat rate of fee:

~~(1) within two months after, or where relevant after the end of, the relevant *valuation point*, the *firm* must provide to the *PRA's collection agent* the *tariff data* on which the *periodic fee* payable by the *firm* is to be calculated as at that *valuation point* [deleted]~~

...

~~(7) Where a new requirement is imposed on *firms* under the *PRA Rulebook* or an existing requirement amended but does not take effect until a future *fee year*, in the absence of an express statement to the contrary, *firms* must comply with the new requirement immediately in so far as it relates to the supply of information under 3.6 (1).~~

...

4 REGULATORY TRANSACTION FEES

...

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 (£) except where Column 2 applies		Column 2 Fee payable (£) (firm with permission for foundation approach moving to an advanced approach.)
Where the application relates to <i>CRD credit institutions</i> or <i>designated investment firms</i> with and includes five or more significant overseas entities within the same group.	model type	£	67,000.00
	<i>advanced IRB, IMM or IMA</i>	268,000.00	
	<i>foundation IRB</i>	232,000.00	
	<i>advanced measurement</i>	181,000.00	

	<i>approaches</i>		
Where, at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant has (1) <i>modified eligible liabilities</i> in excess of £40,000,000.00 £40,000million; or (2) more than 200 traders.	model type	£	58,000.00
	<i>advanced IRB, IMM or IMA</i>	232,000.00	
	<i>foundation IRB</i>	198,000.00	
	<i>advanced measurement approaches</i>	146,000.00	
Where, at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant has (1) <i>modified eligible liabilities</i> greater than £5,000,000.00 £5,000million and less than £40,000,000.00 £40,000million; or (2) between 26 and 200 traders.	model type	£	23,500.00
	<i>advanced IRB, IMM or IMA</i>	94,000.00	
	<i>foundation IRB</i>	72,000.00	
	<i>advanced measurement approaches</i>	51,000.00	
Where, at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant has (1) <i>modified eligible liabilities</i> of £5,000,000.00 £5,000million or less; or (2) between 0 and 25 traders.	model type	£	10,500.00
	<i>advanced IRB, IMM or IMA</i>	42,000.00	
	<i>foundation IRB</i>	30,000.00	
	<i>advanced measurement approaches</i>	24,000.00	

...

PRA RULEBOOK: PRA FEES: MODEL TRANSACTION FEES, FEES FOR INSURERS AND DESIGNATED INVESTMENT FIRMS INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (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: Model Transaction Fees, Fees for Insurers and Designated Investment Firms Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 March 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: PRA Fees: Model Transaction Fees, Fees for Insurers and Designated Investment Firms Instrument 2017.

By order of the Prudential Regulation Committee

4 December 2017

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:

...

~~adjusted gross premium income or AGPI~~

~~means adjusted gross premium income of an insurer calculated as follows (all business transacted through independent practitioners or tied agents, whether single or multi-tie, being divided by two):~~

- ~~(1) amount of new regular premium business (yearly premiums including reassurances ceded but excluding cancellations and reassurances accepted) x10;
plus~~
- ~~(2) amounts of new single premium business (total including reassurances ceded but excluding cancellations and reassurances accepted). Group protection business (life and private health insurance) must be included;
less~~
- ~~(3) premiums relating to pension fund management;
less~~
- ~~(4) premiums relating to trustee investment plans.~~

...

annual quantitative reporting template

means a reporting template set out in EU Regulation 2015/2450 or any other relevant Solvency II Regulations.

...

best estimate liabilities for fees purposes

means:

- (1) for UK Solvency II firms in the general insurance fee block (A3), the sum of items entered under row codes R0010, R0370, R0380, R0410 and R0420, column code C0180, of the annual quantitative reporting template S17.01.01, plus 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, as reported to the PRA;
- (2) for non-directive firms in the general insurance fee block (A3), a firm's total gross technical provisions as reported to the PRA under item 19 of form 15, or where this is not reported because the firm is a marine mutual under the Insurance Companies – Reporting Part, item 29 of form M2, or where the firm is a friendly society, the balance sheet entry C3 claims outstanding where

this entry is required under the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983), and otherwise zero; and

- (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, as reported to the PRA.

...

contributions as income

~~means contributions as income of a friendly society under Schedule 7: Part I item 1(a) to the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983) in respect of United Kingdom business~~

...

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.

...

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 premium income or GPI

~~means the amount of premium receivable which must be included in the documents required to be deposited under IPRU(INS)9.6 in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the documents by reason of a waiver or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to IPRU(INS) of the PRA Handbook under transitional provisions relating to written concessions; or~~

gross premiums written

~~means gross premiums written under Schedule 1(part I.1(a) and II.1.(a) of the Friendly Societies (Accounts and Related Provisions) Regulations 1994(SI 1994/1983)~~

gross technical liabilities or GTL

~~means the amount of gross technical liabilities referred to in IPRU(INS) (Appendix 9.1 –Form 15 line 19) which must be included in the documents required to be deposited under IPRU(INS)9.6R in relation to the financial year to which the documents relate~~

~~but disregarding for this purpose such amounts as are not included in the documents by reason of a waiver or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to IPRU(INS) of the PRA Handbook under transitional provisions relating to written concessions.~~

...

gross written premium for fees purposes

means:

- (1) for UK Solvency II firms in the general insurance fee block (A3), the total of items entered under row codes R0110, R0120 and R0130, as expressed in column code C0200 where this column is completed for those row codes, of the annual quantitative reporting template S.05.01.01, as reported to the PRA;
- (2) for non-directive firms in the general insurance fee block (A3), a firm's gross premium written as reported to the PRA under item 11 of form 11, or where this is not reported because the firm is a Swiss general insurer, the entry at sheet 1, line 1, column 1, of form 20A, or where the firm is a friendly society, the income and expenditure account entry for gross premium written or contributions as income receivable, as appropriate under the Friendly Societies (Accounts and Related Provisions) Regulation 1994 (SI 1994/1983); and
- (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, as reported to the PRA.

...

IPRU (INS)

~~means the IPRU (INS) section of the PRA Handbook which remains in force to the extent required by:~~

- ~~(1) Transitional Measures 3.7 of the PRA Rulebook for Solvency II firms; and~~
- ~~(2) Transitional Measures 3.1 of the PRA Rulebook for non-directive firms;~~

~~and references to rules, forms and appendices are to those applicable as at 31 December 2015.~~

...

mathematical reserves for fees purposes

means

~~the amount of mathematical reserves (IPRU(INS) Appendix 9.1R – Form 14 Line 11) which must be included in the documents required to be deposited under IPRU(INS) 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the documents by reason of a waiver or an order under section 68 of the Insurance Companies Act 1982 carried~~

forward as an amendment to *IPRU(INS)* of the *PRA Handbook* under transitional provisions relating to written concessions;

less

mathematical reserves relating to *pension fund management*;

less

mathematical reserves relating to *trustee investment plans*.

...

model maintenance fee

means the fee or fees in 3.22.

...

number of traders

means the number of employees or agents who, as part of their ordinary duties on behalf of a *firm* in the ~~*designated firms dealing as principal fee block (A10)*~~ commit the firm in market dealings or in transactions in securities or other investments in the course of *PRA regulated activities*, but excluding anyone working solely for the firm's multi-lateral trading facility operation.

pension fund management

means the class of contract of insurance specified in paragraph VII of Part II of Schedule 1 to the Regulated Activities Order (Contracts of long-term insurance) where effected or carried out by a person who does not carry on a banking business but otherwise carries on an insurance business

...

trading assets

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

transition costs

means the costs of establishing the *PRA* which are being recovered from firms over a period of five years from 2013/14 to 2017/18

transition costs fee block

means ~~*firms*~~ which are liable to pay *transition costs* as shown in Table II of the *Periodic Fees Schedule*

...

trustee investment plans

means the class of *contracts of insurance* specified in Class 3 of Part II of Schedule 4 to the ~~Regulated Activities Order~~ and which are invested in pooled funds beneficially owned by an *insurer* and not earmarked for individual beneficiaries by that *insurer*.

...

3 PERIODIC FEES

...

3.3 *Periodic fees* payable by firms in any *fee year* will be the sum of the following (so far as applicable to them):

- (1) a minimum *periodic fee* at the rate specified in Table IA of the *Periodic Fees Schedule*;
- (2) ~~a transition costs allocation calculated in accordance with Table II of the *Periodic Fees Schedule* [deleted]~~;
- (3) *periodic fees* at the rate specified in Table IIIA, subject to any modifications in Table IV and Table V, of the *Periodic Fees Schedule* calculated as follows:
 - (a) applying the *tariff bases* and *valuation points* set out in 3.4 to the *tariff data* which they have supplied to the PRA or its collection agent;
 - (b) where applicable, grouping *tariff data* into the tariff bands shown in Column 3 of Table IIIA of the *Periodic Fees Schedule*; and
 - (c) applying the appropriate *tariff rate* as shown in Column 4 of Table IIIA of the *Periodic Fees Schedule*;

the fee being the total of sums payable in respect of all *tariff bands*;

- (4) an *EU withdrawal costs* allocation calculated in accordance with Table VI, subject to any modifications in Table IV and Table V, of the *Periodic Fees Schedule*;
- (5) the *ring-fencing implementation fee*; ~~and~~
- (6) the *IFRS 9 implementation fee* calculated in accordance with Table VII, subject to any modifications in Table IV, of the *Periodic Fees Schedule*; ~~and~~
- (7) a model maintenance fee calculated in accordance with Table VIII of the *Periodic Fees Schedule*.

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) ~~if the firm is an insurer, the sum of its annual gross premium income for and its gross technical liabilities at the end of 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, noting that~~; 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:

(i) In the case of a pure reinsurer carrying on general insurance business through a branch in the United Kingdom, or an insurer whose head office is not in an EEA state carrying on general insurance business through a branch

~~in the *United Kingdom*, or an EEA deposit insurer, only *premiums received and gross technical liabilities* held in respect of its *United Kingdom* business are included;~~

~~(ii) for a Swiss general insurance company *premiums* and *gross technical liabilities* include those relevant to the operations of the company's *United Kingdom* branch; and~~

~~(iii) a firm need not include *premiums* and *gross technical liabilities* relating to *pure protection contracts* which it reports, and pays a fee on, in the *A4 life insurers' fee block*.~~

or

~~(b) if the firm is a *non-directive friendly society*, the value of *contributions as income* receivable in respect of *United Kingdom* business included in its income and expenditure account at the end of the firm's financial year which ends in the calendar year to 31 December prior to commencement of the *fee year*;~~

or

~~(c) if the firm is a *directive friendly society*, the value of *gross premiums written* in respect of *United Kingdom* business included in its income and expenditure account at the end of the firm's financial year which ends in the calendar year to 31 December prior to commencement of the *fee year*;~~

and

~~(d) for *UK ISPVs*, the *tariff base* is not relevant and a flat fee show in Table III of the *Periodic Fees Schedule* is payable;~~

~~(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.~~

(3) for firms in the *life insurance fee block* (A4);, the sum of ~~*adjusted gross premium income*~~ for, and ~~*mathematical reserves for fees purposes*~~ valued at the end of the firm's financial year ending in the calendar year to 31 December prior to commencement of the *fee year* noting that:

~~(a) only *premiums* receivable and *mathematical reserves* held in respect of *United Kingdom* business are relevant; and~~

~~(b) an *insurer* must include in its calculation of *adjusted gross premium income* and *mathematical reserves for fees purposes* the value relating to all risks ceded to *ISPVs*.~~

~~(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.

(4) for firms in the Lloyd's managing agents fee block (A5), active capacity as reported to the Society for the underwriting year which is in progress at the beginning of the fee year.

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

...

3.6 The following requirements apply to all firms whose activities give rise to periodic fees, other than firms which pay only a flat rate of fee:

...

(3) for an incoming EEA firm or an incoming Treaty firm in the deposit acceptors fee block, the information required for the tariff base is in relation to the regulated activities of the firm carried on in the United Kingdom, other than those provided on a cross border services basis;

...

(6) Unless 3.7 or 3.9 applies, where a firm has not ~~complied with 3.6(1)~~ provided sufficient tariff data for any period by reference to which periodic fees are to be calculated, but a valuation is available for the previous period by reference to which periodic fees are to be calculated, the fee should be calculated using the tariff data applicable to the previous period multiplied by 1.10. An ~~additional~~ administration fee of £125.00 is payable in this case in addition to the minimum fee.

...

3.9 Subject to 3.10 where in:

(1) its second fee year, or

(2) any subsequent fee year,

a firm has not yet submitted sufficient tariff data to enable the periodic fees calculation at ~~3.6(1)~~ to be made in respect of that fee year, periodic fees will be calculated in accordance with Table A below

Table A

...	
<p>General insurance fee block (A3) and life insurance fee block (A4)</p>	<p>Where under 3.4, the <i>tariff base</i> for an activity is to be calculated by reference to data for the <i>firm's</i> financial year ending on the 31 December before the start of the <i>fee year</i>; a firm which has not completed a full financial year by that date should:</p> <p>(1) a firm which has not completed a full financial year by the start of the <i>fee year</i> should, if it is in its <i>second fee year</i> and received its new or extended permission relevant to the activity between 1 January in its <i>first fee year</i> and 1 April in its <i>second fee year</i>, apply projected valuations as set out in 3.7; and</p> <p>(2) if the <i>firm</i> is a <i>UK Solvency II firm</i> outside the scope of item (1) above, and the <i>PRA</i> has either:</p> <p style="padding-left: 40px;">(a) not received the necessary <i>tariff data</i> on a timely basis in line with the <i>firm's</i> reporting obligations under the Reporting Part; or</p> <p style="padding-left: 40px;">(b) deemed the <i>tariff data</i> received to be incomplete or insufficiently reliable, by reference to a specific <i>firm</i> or across all or part of a <i>fee block</i>;</p> <p style="padding-left: 40px;">the <i>PRA</i> may use <i>tariff data</i> from the previous reporting period for the <i>periodic fees</i> calculation; and</p> <p>(3) in any other case, apply the formula $(A \div B) \times 12$ to annualise the <i>tariff data</i> it has available, where:</p> <p style="padding-left: 40px;"><i>A</i> = its <i>tariff base</i> calculated by reference to <i>tariff data</i> for the period starting on the date the firm received permission for the relevant activity and ending on the earlier of the 31 December prior to the start of its <i>second fee year</i> or the 31 December prior to the start of the <i>firm's</i> financial year; and</p> <p style="padding-left: 40px;"><i>B</i> = the number of complete calendar months in the period referred to in <i>A</i>.</p>

...

3.12 Where:

...

(3) Where the acquisition involves a calculation of *periodic fees* for the *A4 life insurers fee block*:

~~(a) when calculating the new regular premium business element of its adjusted gross premium income, A should not include business transferred from B under the procedure set out in Part VII of FSMA during the relevant financial year unless the transfer involved the creation of new contracts between the policyholders subject to the transfer; and [deleted];~~

(b) If any business is transferred to A from B under the procedure set out in Part VII of FSMA and that business would have been included in B's tariff base in the absence of the transfer,

that business should be included in A or B's tariff base depending on the date of transfer as required by 3.12(2)(b).

(c) ~~Mathematical reserves for fees purposes~~ Best estimate liabilities for fees purposes should include all new business transferred from B.

...

Transitional rules (A3 and A4 fee payers) for the 2017/18 fee year

3.19 ~~The transitional rule at 3.20 applies only to fee payers liable to pay periodic fees in the A3 general insurance fee block or the A4 life insurance fee block. Unless otherwise provided, it supplements all other Part rules relating to the calculation of periodic fees.~~ [deleted]

3.20 The following shall apply to the calculation of *periodic fees* for the *fee year* commencing on 1 March 2017:

~~(1) Except as provided in 3.20(5)(a), for the purposes of calculating periodic fees payable under 3.3(3) in the fee year commencing on 1 March 2017 the following adjusted tariff base shall be used:~~

~~(a) for firms in the general insurance fee block (A3):~~

~~(i) if the firm is an insurer, the sum of its annual gross premium income for, and gross technical liabilities at the end of, the firm's financial year which ended in the calendar year to 31 December 2015 and not the calendar year to 31 December prior to commencement of the fee year.~~

~~(ii) if the firm is a non-directive friendly society the value of contributions as income receivable in respect of United Kingdom business included in its income and expenditure account at the end of the firm's financial year which ends in the calendar year to 31 December 2015 and not the calendar year to 31 December prior to commencement of the fee year.~~

~~(iii) if the firm is a directive friendly society the value of gross premiums written in respect of UK business included in its income and expenditure account at the end of the firm's financial year which ends in the calendar year to 31 December 2015 and not the calendar year to 31 December prior to commencement of the fee year.~~

and

~~(b) for firms in the life insurance fee block (A4), the sum of adjusted gross premium income for, and mathematical reserves for fees purposes valued at the end of, the firm's financial year ending in the calendar year to 31 December 2015 and not the calendar year to 31 December prior to commencement of the fee year.~~

~~(2) Firms subject to this rule must on or before 28 February 2017:~~

~~(a) notify the PRA's collection agent of any insurance business transfer, either to or from the firm, that has taken place using the procedure under Part VII FSMA or Part VIII of the Friendly Societies Act 1992 during the period specified in 3.20(4);~~

and

~~(b) provide such information as the PRA acting through its collection agent may require to establish the extent to which the tariff data referred to in 3.20(4) has increased or decreased as a result of the transfer and the amended data so provided will form the basis of the periodic fees calculation for the fee year commencing on 1 March 2017.~~

~~(3) Firms may on or before 28 February 2017 voluntarily submit amended tariff data to reflect the fact that the firm has gone into run-off during the period specified in 3.20(4).~~

~~(4) The period referred to in 3.20(2) and 3.20(3) is from:~~

~~(a) the date in the 2015 calendar year that, under Fees 3.4, was the last day of the firm's valuation point for the tariff data that would form the basis of periodic fees calculations in the fee year commencing on 1 March 2016;~~

~~to~~

~~(b) 31 December 2016.~~

~~(5) The following rules relating to periodic fees will not apply so long as the transitional rule remains in force:~~

~~(a) 3.9 and 3.10. The periodic fees calculation based on projected valuations in 3.7 will instead be applied to all firms (whether in their first fee year, second fee year or a subsequent fee year) that did not submit, or submitted insufficient, tariff data as at the December 2015 valuation point to enable 3.20(1) to be given effect, subject to the modification that, for firms in their second and subsequent fee years, the formula in 3.7(2) is $A+B$ and not $(A+B) \times C$;~~

~~and~~

~~(b) 3.12.~~

~~(6) To assist with the formulation of fees policy for the fee year commencing on 1 March 2018 and subsequent fee years, firms will comply with the requests of the PRA or its collection agent for tariff data in respect of their financial years ending 31 December 2016 and 31 December 2017. [deleted]~~

...

Model maintenance fee

3.22 3.22 to 3.23 apply to CRR firms and UK Solvency II firms.

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

(1) The PRA will charge a model maintenance fee to recover in whole or part the annual cost to the PRA, as determined by the PRA, of monitoring, reviewing and policy development for firms' models for which permission has been granted under the CRR or the Solvency II directive.

(2) For firms with one or more models for which permission was granted before 1 March 2018, the model maintenance fee is payable for the fee year commencing on 1 March 2018 and in fee years thereafter.

(3) Where a first or additional model permission is granted to a firm on or after 1 March 2018 and during the first six months of any fee year, the model maintenance fee for that model is payable as from the commencement of the first subsequent fee year and in fee years thereafter.

(4) Where a first or additional model permission is granted to a firm on or after 1 March 2018 and during in the second six months of any fee year, the model maintenance fee for that model is payable as from the commencement of the second subsequent fee year and in fee years thereafter.

(5) The model maintenance fee is calculated in accordance with Table VIII of the Periodic Fees Schedule.

(6) For a CRR firm or group, the model maintenance fee shall be the sum of all fees applicable to that firm or group for each permitted model type.

(7) For composite firms which are also UK Solvency II firms, the model maintenance fee shall be determined by the fee block for which the firm or group pays the largest periodic fee under 3.3(3).

(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.

(9) The Society shall not be required to pay a model maintenance fee.

...

PERIODIC FEES SCHEDULE – FEE RATES AND EEA/TREATY FIRM MODIFICATIONS FOR THE PERIOD FROM 1 MARCH 2017~~8~~ TO 28 FEBRUARY 2018~~9~~

...

TABLE II - TRANSITION COSTS ALLOCATION

[deleted]

Fee payer	Tariff base for allocations to firms
All firms, except those paying only the minimum fee and insurance special purpose vehicles	Total periodic fees, excluding minimum fees, payable by the firm multiplied by 0.0609

...

TABLE VIII – MODEL MAINTENANCE FEES

	Annual fee for CRR firms per model type (£)				Annual fee for UK Solvency II firms per group or solo internal model (£)	
Basis of scale. (aggregated figures for all UK firms within	IMA	IMM	IRB	AMA	A3 fee block	

<u>the scope of each model or model type)</u>						<u>A4 fee block</u>
<u>CRD credit institutions with modified eligible liabilities in excess of £40,000million, or designated investment firms with trading assets in excess of £100,000million</u>	<u>55,000</u>	<u>75,000</u>	<u>100,000</u>	<u>25,000</u>	:	:
<u>CRD credit institutions with modified eligible liabilities greater than £5,000million and less than £40,000million, or designated investment firms with trading assets greater than £12,500million and less than £100,000million</u>	<u>20,000</u>	<u>30,000</u>	<u>40,000</u>	<u>10,000</u>	:	:
<u>CRD credit institutions with modified eligible liabilities of £5,000million or less, or designated investment firms with trading assets of £12,500million or less</u>	<u>8,000</u>	<u>12,000</u>	<u>16,000</u>	<u>4,000</u>	:	:
<u>The sum of a firm's best estimate liabilities for fees purposes and gross written premium for fees purposes is £1,000 million or more for firms in the general insurance fee block (A3), or for firms in the life insurance fee block (A4), £15,000million or more</u>	:	:	:	:	<u>160,000</u>	<u>210,000</u>
<u>The sum of a firm's best estimate liabilities for fees purposes and gross written premium for fees purposes is greater than £300million and less than £1,000million for firms in the general insurance fee block (A3) or greater than £5,000million and less than £15,000million, or for firms in the life insurance fee block (A4)</u>	:	:	:	:	<u>65,000</u>	<u>80,000</u>
<u>The sum of a firm's best estimate liabilities for fees purposes and gross written premium for fees purposes is less than</u>	:	:	:	:	<u>28,000</u>	<u>35,000</u>

£300million for <i>firms</i> in the <i>general insurance fee block (A3)</i> or less than £5,000million, for <i>firms</i> in the <i>life insurance fee block (A4)</i>						
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4 REGULATORY TRANSACTION FEES

...

4.14A (1) Where a *CRR firm* seeks permission to apply any model type the fee payable is as set out in Table D below.

~~(2) The fees set out in Table D are also payable by a *CRR firm* which seeks to modify that model type once permission is granted and for guidance as to the availability of such a model type or modified model type.~~

...

Table D - Model types under CRR

Applicant (groupings based on <i>tariff data</i> submitted by firms 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 (£) except where Column 2 applies		Column 2 Fee payable (£) (firm with permission for foundation approach moving to an advanced approach.)
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	model type	£	67,000.00
	<i>advanced IRB, IMM or IMA</i>	268,000.00	
	<i>foundation IRB</i>	232,000.00	
	<i>advanced measurement approaches</i>	181,000.00	
Where, at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant: has (1) has modified eligible liabilities in excess of £40,000million; or (2) more than 200 traders is a <i>designated investment firm with trading assets in excess of £100,000million</i> .	model type	£	58,000.00
	<i>advanced IRB, IMM or IMA</i>	232,000.00	
	<i>foundation IRB</i>	198,000.00	
	<i>advanced measurement</i>	146,000.00	

	<i>approaches</i>		
Where, as at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant: has (1) has <i>modified eligible liabilities</i> greater than £5,000million and less than £40,000million; or (2) between 26 and 200 traders is a <i>designated investment firm with trading assets greater than £15,000million and less than £100,000million</i> .	model type	£	23,500.00
	<i>advanced IRB, IMM or IMA</i>	94,000.00	
	<i>foundation IRB</i>	72,000.00	
	<i>advanced measurement approaches</i>	51,000.00	
Where, as at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant: has (1) has <i>modified eligible liabilities</i> of £5,000million or less; or (2) between 0 and 25 traders is a <i>designated investment firm with trading assets of £15,000million or less</i> .	model type	£	40,500.00
	<i>advanced IRB, IMM or IMA</i>	42,000.00	
	<i>foundation IRB</i>	30,000.00	
	<i>advanced measurement approaches</i>	24,000.00	

...

Table E – Internal model application fees

Applicant (groupings based on <i>tariff data</i> submitted by <i>firms</i> as at 31 December 2015 6 , and subject to any adjustments made under 3.20)	Fee payable (£)
Group Internal Model (Full and Partial)	
Sum of gross technical liabilities <i>best estimate liabilities for fees purposes</i> for groups in the <i>general insurance fee block</i> of £200million or more	268,000.00
Sum of gross technical liabilities <i>best estimate liabilities for fees purposes</i> for groups in the <i>general insurance fee block</i> less than £200million	100,000.00
Sum of mathematical reserves for fees purposes <i>best estimate liabilities for fees purposes</i> for groups in the <i>life insurance fee block</i> of £5,000million or more	268,000.00
Sum of mathematical reserves for fees purposes <i>best estimate liabilities for fees purposes</i> for groups in the <i>life insurance fee block</i> less than £5,000million	100,000.00
Solo Internal Model (Full and Partial)	
Gross technical liabilities <i>Best estimate liabilities for fees purposes</i> for <i>firms</i> in the <i>general insurance fee block</i> of £200million or more	232,000.00
Gross technical liabilities <i>Best estimate liabilities for fees purposes</i> for <i>firms</i> in the <i>general insurance fee block</i> less than £200million	80,000.00
Mathematical reserves for fees purposes <i>Best estimate liabilities for fees purposes</i> for <i>firms</i> in the <i>life insurance fee block</i> of £5,000million or more	232,000.00
Mathematical reserves for fees purposes <i>Best estimate liabilities for</i>	80,000.00

<i>fees purposes</i> for firms in the life insurance fee block less than £5,000million	
--	--

...

PRA RULEBOOK: SOLVENCY II FIRMS, NON SOLVENCY II FIRMS, NON AUTHORISED PERSONS: POLICYHOLDER PROTECTION INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules) of the Act;
 - (2) section 137T (General supplementary powers) of the Act;
 - (3) section 213 (The compensation scheme) of the Act;
 - (4) section 214 (General) of the Act.
- 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 Instrument 2017

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

Commencement

- E. Annex A of this instrument comes into force on 1 April 2018.
F. Annex B of this instrument comes into force on 18 December 2017.

Citation

- G. This instrument may be cited as the PRA Rulebook: Solvency II Firms, Non Solvency II Firms, Non Authorised Persons: Policyholder Protection Instrument 2017.

By order of the Prudential Regulation Committee

4 December 2017

Annex A

Amendments to the Policyholder Protection 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:

~~relevant not premium income~~

~~means in relation to business which is not occupational pension fund management business:~~

~~(1) either (at the election of the firm):~~

~~(a) the premium income in respect of protected contracts of insurance of a firm; or~~

~~(b) the premium income in respect of protected contracts of insurance with eligible claimants of a firm; or~~

~~(2) (in relation to occupational pension fund management business) the remuneration retained by a firm in relation to its carrying on occupational pension fund management business;~~

~~in the year preceding that in which the date for submission of the information in 21.42 falls, net of any relevant rebates or refunds.~~

...

21 FSCS LEVIES

...

21.42A (1) Unless exempt under 21.5, a participant firm must provide the FSCS by the end of May each year (or, if it has become a participant firm part way through the financial year, by the date requested by the PRA) with a statement of:

(a) the insurance class to which it belongs; and

(b) the total amount of business (measured in accordance with the appropriate tariff base or tariff bases) which it conducted, in respect of the most recent valuation period (as specified by Annex 2) ending before the relevant year in relation to each insurance class.

(2) In this rule and 21.44A the relevant year means the year in which the month of May referred to in (1) falls.

...

21.44 If a participant firm does not submit a complete statement by the date on which it is due in accordance with 21.42A and any prescribed submission procedures:

- (1) the *firm* must pay an administrative fee of £250 (but not if it is already subject to an administrative fee for non-submission of data in the same financial year required under this Part, or any other *PRA* rule or rule in the FCA Handbook); and
- (2) the *compensation costs levy* and any *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 *participant firm* part way through the financial year, on the basis of information provided to the *PRA* for the purposes of Fees 3.6(4) or on any other reasonable basis, making such adjustments as seem appropriate in subsequent levies once the true figures are known).

21.44A In the event of a *compensation costs levy* and any *specific costs levy* being made in a financial year of the *compensation scheme* before a *participant firm* has submitted a complete statement in accordance with 21.42A, the *compensation costs levy* and any *specific costs levy* should be calculated using the statement of business submitted in respect of the previous valuation period.

...

22 TRANSITIONAL ARRANGEMENTS

...

22.8 ...

- (2) The whole of the levy is calculated by reference to relevant net premium income (calculated in accordance with Annex 2) ~~relevant net premium income~~ instead of being split 75:25 between relevant net premium income ~~relevant net premium income~~ and eligible gross technical liabilities (calculated in accordance with Annex 2) ~~or mathematical reserves~~.

...

23 TRANSITIONAL ARRANGEMENTS FOR FSCS LEVY YEAR 2017/18

[deleted]

- 23.1— The rule in this Chapter shall apply to the *FSCS*, *participant firms* (and, where applicable under 21.26, the *Society*), in respect of the *FSCS 2017/18* financial year which commences on 1 April 2017 and ends on 31 March 2018, and unless otherwise provided, shall supplement all other Part rules relating to a *participant firm's* (and, where applicable under 21.26, the *Society's*) share of the *compensation costs levy* and *management expenses levy* for the *FSCS 2017/18* financial year.
- 23.2— Subject to 23.3 and 23.4, and for the purpose of calculating a *participant firm's* share of the *compensation costs levy* and *management expenses levy* for the *FSCS 2017/18* financial year:
 - (1) subject to 23.2(2), the *FSCS* shall use the total amount of business (measured in accordance with the appropriate tariff base or tariff bases as specified in Annex 2) of a *participant firm* which it conducted and provided to the *FSCS* in its statement in respect of the valuation period which ended in the calendar year to 31 December 2015, and not the calendar year to 31 December prior to commencement of the *FSCS 2017/18* financial year and 21.42, 21.43 and 21.44 shall not apply;

- (2) ~~where 21.34 applied in respect of the calculation of a *participant firm's specific costs levy* and *compensation costs levy* for the *FSCS 2016/17* financial year, which commenced on 1 April 2016 and ends on 31 March 2017, the *FSCS* shall use the information and tariff base that was used for the purposes of the calculation of the *participant firm's specific costs levy* and *compensation costs levy* for the *FSCS 2016/17* financial year and accordingly, 21.34 shall not apply; and~~
- (3) ~~references in 21.32 and 21.38 to "the statement of business most recently supplied under 21.42" shall be replaced by a reference to the tariff data applicable under 23.2(1) or 23.2(2) (as the case may be) and 21.32 and 21.38 shall be construed so as to give effect to the rules in this Chapter.~~

23.3 ~~For the purposes of calculating a *participant firm's* share of the *compensation costs levy* and *management expenses levy* for the *FSCS 2017/18* financial year:~~

- (1) ~~21.24 shall not apply to the calculation of the levies of a *firm* (A) for the *FSCS 2017/18* financial year, where A falls within 21.24(1)(a)(i);~~
- (2) ~~for *participant firms* who have acquired or disposed of insurance business by way of an insurance business transfer scheme under Part VII of *FSMA* (or other such transfers under Part VIII of the Friendly Societies Act 1992), during the period referred to in 23.5:~~

~~(a) on or before 28 February 2017, *participant firms* must:~~

- ~~i. Notify the *FSCS* if they have acquired or disposed of any insurance business by way of an insurance business transfer scheme under Part VII of *FSMA* (or other such transfers under Part VIII of the Friendly Societies Act 1992); and~~
- ~~ii. Provide to the *FSCS* such information as the *FSCS* may require to establish the extent to which the tariff data referred to in 23.2(1) or 23.2(2) (as the case may be) shall be adjusted in order to reflect any increase or decrease as a result of the acquisition or disposal. The amount of any adjustment shall be based on the tariff data referred to in 23.2(1) or 23.2(2) (as the case may be); and~~

~~(b) the tariff data so adjusted under 23.3(2) shall form the basis for the calculation of the *participant firm's* share of the *compensation costs levy* and *management expenses levy* for the *FSCS 2017/18* financial year;~~

- (3) ~~21.24 shall continue to apply to the calculation of the levies of a *firm* (A), where A falls within 21.24(1)(a)(ii) and references to the "most recent statement of business under 21.42", the "most recent information supplied by B under 21.42" and the "statement of business under 21.42" shall be read as references to the relevant *firm's* tariff data referred to in 23.2(1) or 23.2(2) (as the case may be) and 21.24 shall be construed so as to give effect to the rules in this Chapter.~~

23.4 ~~For *participant firms* that have gone into run-off (referred to in 22.8(3)) during the period stated at 23.5:~~

- (1) ~~22.8 applies for the purpose of calculating the *participant firm's* share of the *compensation costs levy* and *management expenses levy* for the *FSCS 2017/18*~~

financial year; and

- (2) the tariff data referred to in 23.2(1) or 23.2(2) (as the case may be) shall be used for the purposes of 22.8; unless, on or before 28 February 2017 a participant firm voluntarily submits updated tariff data to reflect the changes to its tariff data referred to in 23.2(1) or 23.2(2) (as the case may be) as a result of run-off.

23.5 The period referred to in this Chapter runs from:

- (1) such date in the 2015 calendar year, that was the last day of the participant firm's valuation period for the tariff data that formed the basis for the calculation of a the participant firm's share of the compensation costs levy and management expenses levy for the FSCS financial year commencing on 1 April 2016;
- (2) until 31 December 2016.

23.6 To assist with the formulation of FSCS levies policy for the FSCS financial year commencing on 1 April 2018 and subsequently financial years, participant firms will comply with the request of the PRA or the FSCS for data in respect of their financial years ending in the calendar years to 31 December 2016 and 31 December 2017.

ANNEX 2: METHODOLOGY FOR CALCULATION OF A PARTICIPANT FIRM'S LEVY SHARE

Insurance Class B1	General Insurance Provision
Firms with permission for:	(1) <i>effecting contracts of insurance</i> ; and/or (2) <i>carrying out contracts of insurance</i> ; that are contracts of <i>general insurance</i> .
Tariff base	Insurance Class B1: Relevant net premium income <u>Relevant net premium income and eligible gross technical liabilities</u> . The levy is split into two in the ratio 75:25. The tariff base for the first portion (75%) is calculated by reference to relevant net premium income . <u>relevant net premium income</u> . The tariff base for the second portion (25%) is based on eligible gross technical liabilities . <u>Relevant net premium income is calculated in accordance with the method applicable to the firm for calculating 'gross written premium for fees purposes' in Fees 1.2 and Fees 3.4 (2) (c) with the following adjustments:</u> (1) <u>Relevant net premium income is calculated by reference to either (at the election of the firm):</u> (a) <u>the premium income in respect of protected contracts of insurance of a firm; or</u> (b) <u>the premium income in respect of protected contracts of insurance with eligible claimants of a firm;</u> <u>in the year preceding that in which the date for submission of the</u>

information under 21.42A falls, net of any relevant rebates or refunds.

- (2) If an *incoming EEA firm* does not report relevant net premium income in the way contemplated in this table, the *participant firm's* relevant net premium income is calculated in the same way as they would be for a *UK firm*.

Eligible ~~gross technical~~ liabilities are calculated in accordance with the method applicable to the *firm* for calculating 'best estimate ~~gross technical~~ liabilities for fees purposes' in Fees 1.2 and Fees 3.4 (2) (c) 3.4 (2) (a) (i) – (iii) and (b), ~~(c) and (d)~~ with the following adjustments:

- (1) Eligible ~~gross technical~~ liabilities are calculated by reference to *protected contracts of insurance* with *eligible claimants*.
- (2) A *participant firm* may choose not to apply paragraph (1) and instead include all ~~gross technical~~ liabilities that it would be obliged to take into account for fee block A3 as long as the amount that it would include under (1) is lower.
- (3) If an *incoming EEA firm* does not report ~~gross technical~~ liabilities in the way contemplated by this table, the *participant firm's* ~~gross technical~~ liabilities are calculated in the same way as they would be for a *UK firm*.
- (4) ~~the notes for the calculation of fees in fee block A3 in Fees 3.4 (2) (a) (i) – (iii) and (d) do not apply except for the purposes of (2). [deleted]~~
- (5) A *directive friendly society* must also calculate eligible ~~gross technical~~ liabilities in accordance with this table.
- (6) A *non-directive friendly society* must calculate ~~gross technical~~ liabilities as the amount that it is required to show in FSC 2 ~~or FSC 4 - Form 9 line 11 in Appendix 10 of IPRU(FSOC) of the PRA Handbook as at 31 December 2015~~ Friendly Society – Reporting 4.1 (Other than long term insurance business assets allocated towards the general insurance business required minimum margin) in relation to the most recent financial year of the *participant firm* (as at the applicable reporting date under 21.42A) for which the *participant firm* is required to have reported that information to the PRA under IPRU(FSOC) of the *PRA Handbook* as at 31 December 2015 Friendly Society – Reporting. A *non-directive friendly society* must disregard for this purpose such amounts as are not required to be included by reason of a *waiver* or a ~~written concession carried forward as an amendment to the rule to which it relates under SUP TP of the PRA Handbook~~.

Insurance Class C1	Life and Pensions Provision
Firms with permission for:	(1) <i>effecting contracts of insurance</i> ; and/or (2) <i>carrying out contracts of insurance</i> ; that are <i>contracts of long-term insurance</i> (including <i>pure protection contracts</i>).

Tariff base	<p>Insurance Class C1: Relevant net premium income Relevant net premium income and eligible liabilities mathematical reserves. The levy is split into two in the ratio 75:25. The tariff base for the first portion (75%) is calculated by reference to relevant net premium income relevant net premium income. The tariff base for the second portion (25%) is based on eligible liabilities mathematical reserves.</p> <p><u>Relevant net premium income is calculated in accordance with the method applicable to the firm for calculating 'gross written premium for fees purposes' in Fees 1.2 and Fees 3.4 (3) (c) with the following adjustments:</u></p> <p>(1) <u>in relation to business which is not occupational pension fund management business, relevant premium income is calculated by reference to either (at the election of the firm):</u></p> <p>(a) <u>the premium income in respect of protected contracts of insurance of a firm; or</u></p> <p>(b) <u>the premium income in respect of protected contracts of insurance with eligible claimants of a firm; or</u></p> <p>(2) <u>in relation to occupational pension fund management business the remuneration retained by a firm in relation to its carrying on occupational pension fund management business;</u></p> <p><u>in the year preceding that in which the date for submission of the information under 21.42A falls, net of any relevant rebates or refunds.</u></p> <p>(3) <u>A participant firm which is a non-directive insurer, excluding a non-directive friendly society must calculate relevant net premium income as the amount it is required to show in Form 41, line 19, column 4 in Insurance Company – Reporting 13.1 in relation to the most recent financial year of the firm (as at the applicable reporting date under 21.42A) for which the firm is required to have reported that information to the PRA under Insurance Company – Reporting 5.7.</u></p> <p>(4) <u>A participant firm which is a non-directive friendly society must calculate relevant net premium income as the income and expenditure account entry for gross premium written or contributions as income receivable, as appropriate under the Friendly Society (Accounts and Related Provisions) Regulation 1994.</u></p> <p>(5) <u>If an incoming EEA firm does not report relevant net premium income in the way contemplated in this table, the participant firm's relevant premium income is calculated in the same way as they would be for a UK firm.</u></p> <p><u>Eligible liabilities</u> mathematical reserves are calculated in accordance with the method <u>applicable to the firm for calculating 'best estimate liabilities</u> mathematical reserves <u>for fee purposes' as defined in Fees 1.2 and Fees 3.4 (3) (c) with the following adjustments:</u></p> <p>(1) <u>Eligible liabilities</u> mathematical reserves are calculated by reference to <u>protected contracts of insurance with eligible claimants.</u></p> <p>(2) <u>A participant firm may choose not to apply paragraph (1) and instead include all liabilities</u> mathematical reserves <u>that it would be obliged to take into account for fee block A4 as long as the amount that it would include under (1) is lower.</u></p> <p>(3) <u>If an incoming EEA firm does not report liabilities</u> mathematical reserves</p>
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	<p>in the way contemplated by this table, the <i>participant firm's liabilities mathematical reserves</i> are calculated in the same way as they would be for a <i>UK firm</i>.</p> <p>(4) The notes for the calculation of fees in the A4 fee block in Fees 3.4 (3) (a) and (b) do not apply except for the purposes of (2).[deleted]</p> <p>(5) A <i>directive friendly society</i> must also calculate eligible <i>liabilities mathematical reserves</i> in accordance with this table.</p> <p><u>(5A) A <i>participant firm</i> which is a non-directive insurer, excluding a <i>non-directive friendly society</i> must calculate liabilities as the amount it is required to show in Form 14, line 11, column 1 (mathematical reserves after distribution of surplus) in Insurance Company – Reporting 13.1 in relation to the most recent financial year of the <i>firm</i> (as at the applicable reporting date under 21.42A) for which the <i>firm</i> is required to have reported that information to the <i>PRA</i> under Insurance Company – Reporting 5.5.</u></p> <p>(6) A <i>non-directive friendly society</i> must calculate <i>liabilities mathematical reserves</i> as the amount that it is required to show in FSC 2 or FSC 4 - Form 9 line 23 in Appendix 10 of IPRU(FSOC) of the <i>PRA Handbook</i> as at 31 December 2015-Friendly Society – Reporting 4.1 (total mathematical reserves after distribution of surplus) in relation to the most recent financial year of the <i>firm</i> (as at the applicable reporting date under 21.42A) for which the firm is required to have reported that information to the <i>PRA</i> under Friendly Society – Reporting IPRU(FSOC) of the <i>PRA Handbook</i> as at 31 December 2015. A <i>non-directive friendly society</i> must disregard for this purpose such amounts as are not required to be included by reason of a <i>waiver</i> or a <i>written concession</i> carried forward as an amendment to the rule to which it relates under [SUP TP of the <i>PRA Handbook</i>].</p> <p>(7) The references to <i>corporate pension business pension fund management business in business</i> in the definition of '<i>mathematical reserves best estimate liabilities</i> for fees purposes' in Fees 1.2 do not apply.-<u>The split in the levy between relevant net premium income and eligible liabilities does not apply to a <i>participant firm</i> undertaking <i>occupational pension fund management business</i> that does not carry out any other activities within <i>insurance class C1</i> (ignoring any activities that would have a wholly insignificant effect on the calculation of its tariff base for <i>insurance class C1</i>). Instead the levy is only calculated by reference to relevant net premium income. A <i>participant firm</i> undertaking such business that does not carry out any other activities within <i>insurance class C1</i> (ignoring any activities that would have a wholly insignificant effect on the calculation of its tariff base for <i>insurance class C1</i>) must use its long-term insurance capital requirement instead of gross technical liabilities. The Long-term insurance capital requirement means the amount that it is required to show as its long-term insurance capital requirement in Form 2-Line 31 (Statement of solvency—long term insurance business) in relation to the most recent financial year of the <i>participant firm</i> (as at the applicable reporting date under 21.42) for which the <i>participant firm</i> is required to have reported that information to the <i>PRA</i>.</u></p> <p>(8) The split in the levy between relevant net premium income relevant net premium income and eligible liabilities <i>mathematical reserves</i> does not apply to a <i>flat rate benefits business friendly society</i> or a partnership pension society (as defined in Friendly Society – Reporting)chapter 7 of IPRU(FSOC) (Definitions) of the <i>PRA Handbook</i>) as at 31 December 2015. Instead the levy is only calculated by reference to relevant net</p>
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	<p><u>premium income</u> relevant not premium income.</p>
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Annex B

Amendments to the Policyholder Protection Part

In this Annex deleted text is struck through.

21 FSCS LEVIES

...

21.42 [deleted]

- ~~(1) Unless exempt under 21.5, a *participant firm* must provide the *FSCS* by the end of February each year (or, if it has become a *participant firm* part way through the financial year, by the date requested by the *PRA*) with a statement of:~~
- ~~(a) the *insurance class* to which it belongs; and~~
 - ~~(b) the total amount of business (measured in accordance with the appropriate tariff base or tariff bases) which it conducted, in respect of the most recent valuation period (as specified by Annex 2) ending before the relevant year in relation to each *insurance class*.~~
- ~~(2) In this rule the relevant year means the year in which the *month* of February referred to in (1) falls.~~

...

PRA RULEBOOK: NON-CRR FIRMS: MiFID II AMENDMENT INSTRUMENT 2017

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Non-CRR Firms: MiFID II Amendment Instrument 2017

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

Commencement

- E. This instrument comes into force on 3 January 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: Non-CRR Firms: MiFID II Amendment Instrument 2017.

By order of the Prudential Regulation Committee

4 December 2017

Annex

Amendments to the Internal Governance of Third Country Branches Part

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

...
2A.1 A *firm* must inform all *workers*:

...
(4) of the means available to make a *protected disclosure* to the *PRA* or the *FCA*.

[Note: Article 73(2) of MiFID II]

2A.2 If the *firm*:

(1) is a member of a *group* which includes a *CRR firm*; and

(2) the *CRR firm* is subject to General Organisations Requirements 2A;

the *firm* must inform all its *workers* in the *UK* of the *CRR firm's staff disclosure channel* and explain that the *staff disclosure channel* is available to them.

[Note: Article 73(2) of MiFID II]

PRA RULEBOOK: CRR FIRMS: MIFID II AMENDMENT (NO. 1) INSTRUMENT 2017**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (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: MIFID II Amendment (No. 1) Instrument 2017

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

Part	Annex
Algorithmic Trading	A
General Organisational Requirements	B
Compliance and Internal Audit	C
Glossary	D
Outsourcing	E
General Provisions	F
Risk Control	G

Commencement

- E. The PRA Rulebook: CRR Firms: Algorithmic Trading Instrument 2016 as made by order of the Board of the Prudential Regulation Authority on 24 October 2016 comes into force on 3 January 2018.
- F. This instrument comes into force on 3 January 2018.

Citation

- G. This instrument may be cited as the PRA Rulebook: CRR Firms: MIFID II Amendment (No. 1) Instrument 2017.

By order of the Prudential Regulation Committee

4 December 2017

Annex A

Amendments to the Algorithmic Trading Part

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

...

2 ALGORITHMIC TRADING

2.3 A *firm* must make and retain the following records:

...

- (6) any further relevant information about the *firm's algorithmic trading* and systems used for that trading.

~~[Note: Art. 17(2) of MiFID II. See Articles 28 and 29 of Commission Delegated Regulation (EU) No .../... of [date] supplementing MiFID II with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading, providing direct electronic access and acting as general clearing members for related provisions.]~~

[Note: Article 17(2) of MiFID II. See Articles 28 and 29 of Commission Delegated Regulation (EU) No 2017/589 of 19 July 2016 supplementing MiFID II with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading, providing direct electronic access and acting as general clearing members for related provisions.]

Annex B

Amendments to the General Organisational Requirements Part

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

...

3 PERSONS WHO EFFECTIVELY DIRECT THE BUSINESS

- 3.1 The *senior personnel* of a *firm* must be of sufficiently good repute and sufficiently experienced as to ensure the sound and prudent management of the *firm*.

[Note: Art. 9(4) of *MiFID II*, Art. 91(1) of the *CRD*]

Annex C

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

1.2 In this Part, the following definitions shall apply:

...

host Member State

has the meaning given in Article 4(1)(5~~5~~6) of *MiFID II*.

...

2 COMPLIANCE

...

2.2A A *MiFID investment firm* must extend the arrangements required by the *Article 22 Compliance Requirements* so that they apply with respect to *other matters* on the following basis:

...

(4) references to “Article 25(2) of this Regulation” are references to General Organisational Requirements 4.21A.

...

2.2B A *firm* that is not a *MiFID investment firm* must comply with *Article 22 Compliance Requirements* on the basis set out in 2.2A and as if references to “investment firm” refer to a *firm*.

2.3 [deleted]

2.4 [deleted]

2.5 [deleted]

...

3.1A A *MiFID investment firm* must extend the arrangements required by the *Article 24 Audit Requirements* so they apply with respect to *other matters* on the following basis:

...

(3) references to “Article 25(2) of this Regulation” are references to General Organisational Requirements 4.21A.

Annex D

Amendments to the Glossary

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

...

approved counterparty

...

(3) a *MiFID investment firm* whose authorisation (as referred to in ~~a~~Article 5 of *MiFID II*) authorises it to carry on activities of the kind referred to in (2);

...

MTF

has the meaning given in Article 4(1)(22) *MiFID II*.

...

transferable securities

means as defined in ~~a~~Article 4(1)(44) of *MiFID II* .

Annex E

Amendments to the Outsourcing Part

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

...

2 OUTSOURCING

2.1 A *firm* must:

- (1) when relying on a third party for the performance of operational functions which are critical for the performance of *relevant services and activities* on a continuous and satisfactory basis, ensure that it takes reasonable steps to avoid undue additional operational risk; and
- (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 *MiFID II*.

[Note: ~~Art.~~ Article 416(5) first paragraph of *MiFID II*]

Annex F

Amendments to the General Provisions 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:

...

MTF

~~has the meaning given in Article 4(1)(22) of MiFID II.~~

Annex G

Amendments to Risk Control Part

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

...

2 RISK CONTROL

...

2.2A A *MiFID investment firm* must extend the arrangements required by the *Article 23 Risk Control Requirements* so they apply with respect to *other matters* on the following basis:

...

- (4) references to provision of reports and advice to senior management includes the provision of report and advice to *senior personnel* in accordance with General Organizational Requirements 4.21A.

PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS, SOLVENCY II FIRMS, NON SOLVENCY II FIRMS: MIFID II AND IDD CONSEQUENTIAL AMENDMENTS INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 60 (Applications for approvals);
 - (2) section 137G (The PRA’s general rules); and
 - (3) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making 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, SOLVENCY II FIRMS, NON SOLVENCY II FIRMS: MIFID II AND IDD CONSEQUENTIAL AMENDMENTS INSTRUMENT 2017

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

Commencement

- E. Annexes A, B and I to this instrument come into force on 3 January 2018.
- F. Annexes C to H to this instrument come into force on 23 February 2018.

Citation

- G. This instrument may be cited as the PRA Rulebook: CRR Firms, Non CRR Firms, Solvency II Firms, Non Solvency II Firms: MIFID II and IDD Consequential Amendments Instrument 2017.

**By order of the Prudential Regulation Committee
4 December 2017**

Annex A

Amendments to the 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

...

2.8 The PRA directs that the form submitted for a PRA senior management application by a designated investment firm must be accompanied by the designated additional information.

...

5 CEASING TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

5.1 (1) A firm must notify the PRA no later than ~~seven~~ ten business days after a person ceases to perform a PRA senior management function, using:

...

Annex B

Amendments to the Fitness and Propriety Part

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

...

4 NOTIFIED NON-EXECUTIVE DIRECTORS – NOTIFICATIONS

...

- 4.2 A *firm* must notify the *PRA* when a *person* becomes a *notified non-executive director* and shall provide the *PRA* with all of the information needed to assess whether that *person* is fit and proper. The *PRA* directs that when such information is provided by a *designated investment firm*, it must be accompanied by the *designated additional information*.

...

Annex C

Amendments to the Senior Managers Regime - Applications and Notifications Part

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

...

8 FORMS

8.1 (1) Form A (long form) may be found ~~here~~ [here](#).

(2) Form A (shortened form) may be found ~~here~~ [here](#).

...

Annex D

Amendments to the Change in Control Part

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

...

4 ONGOING NOTIFICATION REQUIREMENTS

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

- (1) if a *controller*, or any entity subject to ~~his~~ their *control*, is or has been the subject of any legal action or investigation which might put into question the integrity of the *controller*;
- (2) if there is a significant deterioration in the financial position of a *controller*;
- (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 ~~Insurance Directives~~ Solvency II Directive or the ~~Insurance Mediation Directive~~ Insurance Distribution Directive, ceases to be so authorised (registered in the case of an ~~IMD insurance intermediary~~ IDD insurance intermediary).

...

Annex E

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

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

...

7 FORMS

7.1 (1) Form A (long form) may be found ~~here~~ [here](#).

(2) Form A (shortened form) may be found ~~here~~ [here](#).

...

(6) Form E may be found ~~here~~ [here](#).

...

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

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

...

7 FORMS

7.1 (1) Form A (long form) may be found ~~here~~ [here](#).

(2) Form A (shortened form) may be found ~~here~~ [here](#).

...

(6) Form E may be found ~~here~~ [here](#).

...

Annex G

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

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

...

7 FORMS

7.1 (1) Form A (long form) may be found ~~here~~ [here](#).

(2) Form A (shortened form) may be found ~~here~~ [here](#).

...

(6) Form E may be found ~~here~~ [here](#).

...

Annex H

Amendments to the Glossary

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

...

branch

means

...

(4) (in relation to an ~~IMD insurance intermediary~~ IDD insurance intermediary):

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

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

(5) (in relation to an ~~IMD reinsurance intermediary~~ IDD reinsurance intermediary):

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

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

...

IDD insurance intermediary

has the meaning given in article 2(3) of the *Insurance Distribution Directive*.

IDD reinsurance intermediary

has the meaning given in article 2(5) of the *Insurance Distribution Directive*.

...

~~IMD insurance intermediary~~

has the meaning given in article 2(5) of the *Insurance Mediation Directive*

~~IMD reinsurance intermediary~~

has the meaning given in article 2(6) of the *Insurance Mediation Directive*

...

insurance distribution

has the meaning given in article 2(1) of the *Insurance Distribution Directive*.

Insurance Distribution Directive

means the European Parliament and Council Directive of 20 January 2016 on insurance distribution (No 2016/97/EC).

...

~~Insurance Mediation Directive~~

means the European Parliament and Council Directive of 9 December 2002 on insurance mediation (No 2002/92/EC).

...

reinsurance distribution

has the meaning given in article 2(2) of the *Insurance Distribution Directive*.

...

~~reinsurance mediation~~

has the meaning given in article 2(6) of the *Insurance Mediation Directive*.

...

Annex I

Amendments to the Glossary

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

...

designated additional information

means such information in such form as may be required pursuant to Article 4 of the Commission Delegated Regulation (EU) 2017/143 of 14 July 2016 supplementing MiFID II of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms as amended from time to time.

...

PRA RULEBOOK: MIFID II PASSPORTING AMENDMENT INSTRUMENT 2017

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: MIFID II Passporting Amendment Instrument 2017

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

Commencement

- E. PRA Rulebook: Passporting Instrument 2016 as made by order of the Board of the Prudential Regulation Authority on 24 October 2016 (PRA 2016/42) comes into force on 3 January 2018.
- F. Annex A to this instrument comes into force on 3 January 2018 immediately after PRA Rulebook: Passporting Instrument 2016 comes into force.
- G. Annex B to this instrument comes into force on 23 February 2018.

Citation

- H. This instrument may be cited as the PRA Rulebook: MIFID II Passporting Amendment Instrument 2017.

By order of the Prudential Regulation Committee

20 December 2017

Annex A

Amendments to the Passporting Part

(as amended by PRA Rulebook: Passporting Instrument 2016)

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

...

2 NOTICE OF INTENTION TO ESTABLISH A BRANCH OR USE A TIED AGENT

...

2.4 This rule applies to a *UK firm* in relation to its *EEA rights* derived from *MiFID II*.

(1) A *UK designated investment firm* wishing to establish a *branch* within the territory of another *EEA State* must comply with the information requirements set out in Article 6 of Commission Delegated Regulation (EU) ~~.../.../2017/1018~~ and notify the *PRA* of its intention by ~~submitting the form set out in Annex VI of Commission Implementing Regulation (EU) .../.../...~~ submitting the form set out in Annex VI of Commission Delegated Regulation (EU) .../.../2017/1018. The *firm* must also ~~submit the form set out in Annex VII of Commission Implementing Regulation (EU) .../.../...~~ notify the PRA if it intends to use a *tied agent* in the same territory as the ~~the~~ *branch*.

(2) A *UK firm* wishing to use a *tied agent* established in another *EEA State* in which it has not established a *branch* must comply with the information requirements set out in Article 6 of Commission Delegated Regulation (EU) ~~.../.../2017/1018~~ and notify the *PRA* of its intention by ~~submitting the form set out in Annex VII of Commission Implementing Regulation (EU) .../.../...~~ submitting the form set out in Annex VII of Commission Delegated Regulation (EU) .../.../2017/1018.

...

...

4 NOTICE OF INTENTION TO PROVIDE CROSS BORDER SERVICES

...

4.3 This rule applies to a *UK firm* in relation to its *EEA rights* derived from *MiFID II*.

(1) A *UK designated investment firm* intending to provide *cross border services* within the territory of another *EEA State* for the first time must comply with the information requirements set out in Article 3 (1) of Commission Delegated Regulation (EU) ~~.../.../2017/1018~~ and notify the *PRA* of its intention by ~~submitting the form set out in Annex I of Commission Implementing Regulation (EU) .../.../...~~ submitting the form set out in Annex I of Commission Delegated Regulation (EU) .../.../2017/1018.

(2) A *credit institution* intending to provide *cross border services* within the territory of another *EEA State* through *tied agents* must comply with the information requirements set out in Article 3 (2) of Commission Delegated Regulation (EU) ~~.../.../2017/1018~~ and notify the *PRA* of its intention by ~~submitting the form set out in Annex I of Commission Implementing Regulation (EU) .../.../...~~ submitting the form set out in Annex I of Commission Delegated Regulation (EU) .../.../2017/1018.

(3) A *UK firm* operating an *MTF* or *OTF* that intends to provide appropriate arrangements to facilitate access to and trading on those systems by remote users, members or participants in another *EEA State* must comply with the information requirements set out in Article 5 of Commission Delegated Regulation (EU) ~~.../.../2017/1018~~ and notify the *PRA* of its intention by ~~submitting the form set out in Annex IV of Commission Implementing Regulation (EU) .../.../...~~ submitting the form set out in Annex IV of Commission Delegated Regulation (EU) .../.../2017/1018.

...

...

5 NOTICE OF CHANGE OF DETAILS TO A BRANCH OR TIED AGENT

...

5.4 This rule applies to a *UK firm* in relation to its *EEA rights* under *MiFID II*.

(1) A *UK designated investment firm* that has established a *branch* in another *EEA State* must comply with the information requirements set out in Article 7(1) of Commission Delegated Regulation (EU) ~~.../...2017/1018~~ and notify the *PRA* of a change to the *branch* by ~~submitting the form in Annex VI of Commission Implementing Regulation (EU) .../...~~ except where the change relates to a planned termination of the operation of the *branch*.

(2) A *UK firm* that uses a *tied agent* established in another *EEA State* must comply with the information requirements set out in Article 7(1) of Commission Delegated Regulation (EU) ~~.../...2017/1018~~ and notify the *PRA* of a change to the particulars of the tied agent by ~~submitting the form in Annex VII of Commission Implementing Regulation (EU) .../...~~ except where the change relates to the cessation of the use of a *tied agent*.

(3) A *UK designated investment firm* that plans to terminate the operation of a *branch* or that plans the cessation of the use of a *tied agent*, and a *credit institution* that plans the cessation of the use of a *tied agent*, must comply with the information requirements set out in Article 7(2) of Commission Delegated Regulation (EU) ~~.../...2017/1018~~ and notify the *PRA* by ~~submitting the form in Annex X of Commission Implementing Regulation (EU) .../...~~

...

...

6 NOTICE OF CHANGE OF DETAILS TO CROSS BORDER SERVICES

...

6.2 (1) A *UK designated investment firm* providing *cross border services* under *MiFID II* and a *credit institution* providing *cross border services* under *MiFID II* through a *tied agent* and wishing to change the range of services provided or activities performed within the territory of another *EEA State* must comply with the information requirements in Commission Delegated Regulation ~~.../...2017/1018~~ and notify the *PRA* by ~~submitting the form in Annex I of Commission Implementing Regulation .../...~~

...

...

Annex B

Amendments to the Passporting Part

(as amended by PRA Rulebook: Passporting Instrument 2016)

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](#).