

**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**

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*Capital+ condition 5*

has the meaning given in 20.10 and 20.10A.

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*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**.

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## 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"> <li>• <i>accepting deposits</i></li> <li>• <i>meeting of repayment claims</i></li> <li>• <i>managing dormant account funds (including the investment of such funds)</i></li> </ul> | <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      |

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## 7 REGULATED ACTIVITY GROUP 1

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

| RAG 1  |   | Prudential category of firm, applicable data items and reporting format (1) |  |                                    |  |            |   |
|--|---|---|--|------------------------------------|--|------------|---|
|  |   | <u>Ring-fenced body</u>   | <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) |
| <b>Description of data item</b>  |   |   |  |                                    |  |            |   |
| <i>Annual report and accounts</i> (20)   | No standard format                              | <u>No standard format</u>   | -  | 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                              | <u>No standard format</u>   | -  | -                                  | -  | -          | -   |
| Solvency statement (8)   | No standard format                              | -   | -  | -                                  | -  | -          | -   |
| Balance sheet  | Either:<br>(1) Templates 1.1, 1.2, 1.3 at Annex | <u>Either:</u><br>(1) <u>Templates 1.1, 1.2, 1.3 at Annex III of the</u>    | <u>Either:</u><br>(1) <u>Templates 1.1, 1.2, 1.3 at Annex III of the</u> | -                                  | -  | [deleted.] | -   |

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

|  |  |  |  |                                    |                                    |            |   |
|--|--|--|--|------------------------------------|------------------------------------|------------|---|
|  | <i>Reporting ITS</i><br>((2),(21))                   |  |  |                                    |                                    |            |   |
| 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)<br>PRA105 (9)<br>PRA106 (9)<br>PRA107 (9) | <u>PRA104 (23)</u><br><u>PRA105 (23)</u><br><u>PRA106 (23)</u><br><u>PRA107 (23)</u> | PRA104 (9)<br>PRA105 (9)<br>PRA106 (9)<br>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                       | =                            | =                                  | =                                  | = | = |

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(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.

| <b>Data item</b> | <b>UK banks and building societies (on an unconsolidated or individual consolidated basis) (9)</b> | <b>[deleted.]</b> | <b>UK banks and building societies (on a UK consolidation group or, as applicable, defined liquidity group or sub-consolidation group basis, as applicable)</b> | <b>Other members of RAG 1</b> |
|------------------|--|-------------------|---|-------------------------------|
| ...              |  |                   |   |                               |
| 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)   |                   | -   | -                             |

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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.

| <b>RAG 1</b>     |              |               |                |                  |                      |                 |
|------------------|--------------|---------------|----------------|------------------|----------------------|-----------------|
| <b>Data item</b> | <b>Daily</b> | <b>Weekly</b> | <b>Monthly</b> | <b>Quarterly</b> | <b>Half yearly</b>   | <b>Annually</b> |
| ...              |              |               |                |                  |                      |                 |
| 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> |

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(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**

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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.

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### **16 DATA ITEMS AND OTHER FORMS**

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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

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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.

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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*.

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## 19 NOTIFICATIONS REGARDING FINANCIAL INFORMATION REPORTING

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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.

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## 20 CAPITAL+ REPORTS

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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*.

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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*.~~

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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).

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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**

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

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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

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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

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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 |