

**PRA RULEBOOK: SOLVENCY II FIRMS: CONDITIONS GOVERNING BUSINESS INSTRUMENT
2018**

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Solvency II Firms: Conditions Governing Business Instrument 2018

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

Commencement

- E. This instrument comes into force on 30 March 2018.

Citation

- F. This instrument may be cited as PRA Rulebook: Solvency II Firms: Conditions Governing Business Instrument 2018.

By order of the Prudential Regulation Committee

27 March 2017

Annex

Amendments to the Conditions Governing Business Part

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

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3 RISK MANAGEMENT

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3.2 ...

(3) ...

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(b) the impact of a reduction of the ~~volatility~~ volatility adjustment to zero.

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