# Matching Adjustment (MA) Application Process Practitioner Q&A

This Q&A provides practical information for practitioners planning to submit an MA application. It should be read in conjunction with the statement of policy (SoP) – Solvency II: Matching Adjustment Permissions[[1]](#footnote-2) and the relevant forms available on the Bank of England website.[[2]](#footnote-3)

1. **What is the PRA’s process for reviewing an MA application?**

There are three key stages to the PRA’s review of an MA application.

* The Application Readiness Assessment Process (ARAP);
* Application triage and review; and
* PRA Decision

1. **What is the purpose of the ARAP?**

The ARAP is not mandatory but firms are strongly encouraged to participate.

The ARAP is a short process that will bring more structure and consistency to the way firms engage with the PRA in advance of making an MA application. It will enable the firm to get a view from the PRA regarding its readiness to submit an MA application. It will also give the PRA good sight of the proposed content and scope of the MA application, helping it to determine resourcing needs to review the application when received. The PRA will indicate whether it considers it appropriate for a firm to make an MA application at the end of the ARAP and it may also provide feedback to the firm. Where feedback is provided, the PRA will indicate whether this should be addressed in the MA application prior to its submission to the PRA.

The ARAP will be different to the current pre-application process. It is intended to make the MA application review more efficient and to help reduce the overall review time as compared to the current approach.

1. **How should a firm participate in the ARAP?**

The PRA welcomes early engagement with firms that are considering submitting an MA application. As part of this, firms would be expected to notify their usual supervisory contact of any planned MA applications, including plans to participate in the ARAP.

Firms will be expected to complete the ARAP form which can be found on the Bank of England website[[3]](#footnote-4). This form will include high level information on the scope of the proposed application, and evidence of the firm’s readiness to submit the application.

The form should be submitted to the PRA’s MA Permissions Team – [MAsubmissions@bankofengland.co.uk](mailto:MAsubmissions@bankofengland.co.uk) – cc’ing the firm’s usual supervisory contact. Submission of the ARAP form will initiate engagement with the PRA’s MA Permissions Team.

1. **How should a firm submit an MA application?**

The SoP sets out what will be required of firms as part of the MA application process. It also sets out how the PRA will conduct its review of an MA application.

A firm should submit the following:

* S138BA FSMA Application Form
* Supplementary Information Form
* Documentary evidence relating to the MA application – for a firm submitting an application to vary an existing MA permission, changes to this evidence from that previously submitted to the PRA to support the existing permission should be clearly signposted using ‘track changes’.

These should be submitted to PRA Authorisations by email at [pra-waivers@bankofengland.co.uk](mailto:pra-waivers@bankofengland.co.uk), cc’ing the MA Permissions Team ([MAsubmissions@bankofengland.co.uk](mailto:MAsubmissions@bankofengland.co.uk)) and the firm’s usual supervisory contact.

1. **When does this process apply from?**

A firm can participate in the ARAP from 6 June 2024.

Firms should submit applications in accordance with s138BA of FSMA from 30 June 2024, in the format set out under Question 4 above. The PRA will reach out individually to firms who have submitted MA applications under the existing regime in advance of 30 June 2024.

1. <https://www.bankofengland.co.uk/prudential-regulation/publication/2024/june/solvency-ii-matching-adjustment-permissions-statement-of-policy> [↑](#footnote-ref-2)
2. <https://www.bankofengland.co.uk/prudential-regulation/authorisations/solvency-ii-approvals> [↑](#footnote-ref-3)
3. <https://www.bankofengland.co.uk/prudential-regulation/authorisations/solvency-ii-approvals> [↑](#footnote-ref-4)