



Direction for modification of 5.3 and 5.5 of the Capital Buffers Part of the PRA Rulebook.

To: [approved parent holding company name] / [FRN] (the “company”)

Ref: [ref#]

Date: [date]

Power

1. This Direction is given by the Prudential Regulation Authority (“PRA”) under section 138A of the Financial Services and Markets Act 2000.

Duration

2.1 This Direction takes effect on the date shown above and remains in force for a period of 5 years or, if earlier, until superseded by a further Direction relating to the same subject matter.

2.2 Unless otherwise stated in this Direction, any italicised expression used in this Direction has the same meaning as in the Part of the PRA Rulebook to which it relates.

Rules modified

3. The PRA directs that 5.3 and 5.5 of the Capital Buffers Part of the PRA Rulebook apply to the company with the modifications shown below (new text underlined):

5

Application on an Individual and Consolidated Basis

...

Application on a consolidated basis

...

5.3

A PRA approved parent holding company, a PRA designated parent holding company, a PRA designated intermediate holding company or a PRA designated institution responsible for meeting CRR requirements on a consolidated basis must comply with this Part except for Chapter 4^[1] on a consolidated basis.

...

Sub-consolidation in cases of entities in third countries

5.5

A firm, a PRA approved intermediate holding company, a PRA designated intermediate holding company, a PRA designated parent holding company or a PRA designated institution responsible for meeting CRR requirements on a sub-consolidated basis that is a subsidiary must apply this Part except for Chapter 4^[2] on a sub-consolidated basis if the firm, or the parent undertaking where it is a financial holding company or mixed financial holding company, has an institution or financial institution as a subsidiary in a third country or holds a participation in such an institution or financial institution.

...



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[1] This modification applies where a Pillar 2A requirement, a G-SII buffer or an O-SII buffer has been imposed on the company on a consolidated basis.

[2] This modification applies where a Pillar 2A requirement or an O-SII has been imposed on the company on a consolidated basis.