

**PRA RULEBOOK: SOLVENCY II FIRMS: SENIOR MANAGERS REGIME AND ISPVs
(AMENDMENT) INSTRUMENT [2025]**

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 59 (Approval for particular arrangements);
 - (2) section 60 (Applications for approval);
 - (3) section 64A (Rules of conduct);
 - (4) section 137G (The PRA’s general rules); and
 - (5) 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.

**PRA Rulebook: Solvency II Firms: Senior Managers Regime and ISPVs (Amendment)
Instrument [2025]**

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

Commencement

- D. This instrument comes into force on [DATE]

Citation

- E. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Senior Managers Regime and ISPVs (Amendment) Instrument [2025].

By order of the Prudential Regulation Committee

[DATE]

Annex

Amendments to the Insurance – Senior Management Functions Part

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

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2 GENERAL

2.1 Each of the functions in 3 – 10 and 12 is a *controlled function* and a *PRA senior management function*.

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2.3 (1) A *firm* (other than a *third country branch undertaking*, a *firm* that does not have an establishment in the ~~UK~~ or a small run-off firm; or a UK ISPV) must ensure that one or more *persons* performs each of the following *PRA senior management functions* on its behalf:

- (a) the *Chief Executive function*;
- (b) the *Chief Finance function*; and
- (c) the *Chair of the Governing Body function*.

(2) If a vacancy arises in respect of one or more of the *PRA senior management functions* set out in (1), a *firm* must ensure that it appoints a *person* to fill that vacancy as soon as practicable.

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12 UK ISPVS

12.1 This Chapter applies only to *firms* that are *UK ISPVs*.

12.2 ~~The following *PRA senior management functions* do not apply to a *UK ISPV*:~~

- ~~(1) *Chief Risk function* (SMF4);~~
- ~~(2) *Head of Internal Audit function* (SMF5);~~
- ~~(2A) *Head of Key Business Area function* (SMF6);~~
- ~~(3) *Chair of Risk Committee function* (SMF10);~~
- ~~(4) *Chair of Audit Committee function* (SMF11);~~
- ~~(5) *Chair of Remuneration Committee function* (SMF12);~~
- ~~(6) *Senior Independent Director function* (SMF14);~~
- ~~(7) *Head of Third Country Branch function* (SMF19);~~
- ~~(8) *With-Profits Actuary function* (SMF20a);~~
- ~~(9) *Chief Underwriting Officer function* (SMF23); and~~
- ~~(10) *Chief Operations function* (SMF24). [Deleted]~~

12.3 The Chief Executive function (SMF1) for a *UK ISPV* is the function of having responsibility for:

- (1) the conduct of all activities of the *UK ISPV* that are subject to the *regulatory system*; and

(2) where the UK ISPV has a services provider, the conduct of all activities of the services provider that are subject to the *regulatory system*.

12.4 (1) A UK ISPV must have at least one *person* approved to perform the Chief Executive function.

(2) If a vacancy arises in respect of the Chief Executive function, the UK ISPV must ensure that it appoints a *person* to fill that vacancy as soon as possible.

12.5 A UK ISPV is not required to have any *person(s)* approved to perform any of the other *PRA senior management functions*.

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Draft for consultation