

PRA RULEBOOK: CRR FIRMS: RELATED PARTY TRANSACTION RISK (CAPITAL REQUIREMENTS DIRECTIVE V) INSTRUMENT 2020

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 instruments) 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: Related Party Transaction Risk (Capital Requirements Directive V) Instrument 2020

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

Commencement

- E. This instrument comes into force on 29 December 2020.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Related Party Transaction Risk (Capital Requirements Directive V) Instrument 2020

By order of the Prudential Regulation Committee

28 December 2020

Annex

Amendments to the Related Party Transaction Risk Part

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

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1 APPLICATION AND DEFINITIONS

1.2 In this Part the following definitions shall apply:

...

related parties

means in relation to a firm:

...

(h) direct and related interests of any *person* listed in (a) to (g) above, which includes a commercial entity in which a member of the *management body* or any of their *close family members*:

(i) has a *qualifying holding* of 10% or more of capital or of voting rights;

(ii) exercises significant influence;

(iii) holds a senior management position; or

(iv) is a member of management body; and

...

Additional Notes

[Note: Art. 88(1) of the CRD]

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2 RELATED PARTY TRANSACTION RISK

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2.5 A *firm* must provide the *PRA* with details on ~~aggregate~~ exposures to *related parties* if requested by the *PRA*. The details must be provided by the date set by the *PRA* at the time of the request.

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Additional Notes

[Note: Art. 88(1) of the CRD]

Part

RELATED PARTY TRANSACTION RISK

Externally defined glossary terms

Term	Definition source
<i>qualifying holding</i>	<i>Art. 4(1)(36) of the CRR</i>