

Bank of England PRA

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 8/24) – Solvency II: Matching Adjustment and Matching Adjustment Investment Accelerator Permissions¹ and the relevant forms available on the Bank of England website.²

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

2. 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 scope and content 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 previous 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 previous approach.

¹ <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/statement-of-policy/2025/sop824.pdf>

² <https://www.bankofengland.co.uk/prudential-regulation/authorisations/solvency-ii-approvals>

3. How should a firm participate in the ARAP?

Firms will be expected to complete the ARAP form which can be found on the Bank of England website.³ 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 – cc'ing the firm's usual supervisory contact at the PRA. Submission of the ARAP form will initiate engagement with the PRA's MA Permissions Team.

4. What is the MA Permissions Team (MAPT)?

The MAPT is a new central team within the PRA that is responsible for leading the review work in respect of MA applications, including ARAP.

5. 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:

- Section 138BA of the Financial Services and Markets Act (FSMA) rule permission application form
- supplementary information form; and
- 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, cc'ing the MA Permissions Team (MAsubmissions@bankofengland.co.uk) and the firm's usual supervisory contact.

6. Should a firm engage with the MAPT, its usual supervisory contact, or both?

A firm would not be expected to contact the MAPT directly unless it is submitting an ARAP form or an MA application or is engaged in dialogue with the MAPT as part of ongoing MA review work (including ARAP and MA application review work). During ARAP and MA application reviews, a firm should copy both its usual supervisory

³ <https://www.bankofengland.co.uk/prudential-regulation/authorisations/solvency-ii-approvals>

contact and the MAPT to any written correspondence. Supervisory contacts may also be present at any meetings held as part of the review process.

The e-mail address for the MAPT is: MAsubmissions@bankofengland.co.uk.

Where a firm wants to update the PRA on its plans for future MA applications, or provide other updates covering the MA, it should engage through its usual supervisory contact in the first instance. Should engagement be needed with the MAPT then supervisory contacts will be able to arrange this.

7. When should a firm inform the PRA of planned future MA applications?

The PRA encourages firms to update their usual supervisory contact regarding any future planned MA applications, including any proposed ARAP submissions, as early as possible. Early sight of firms' plans allows the PRA to better understand the MA application pipeline and to plan resource accordingly.

8. How should a firm engage with the PRA before they enter ARAP?

The nature of engagement with a firm will vary depending on a range of factors including: the complexity and scale of the MA application, the firm's readiness to submit an application, and whether the firm is seeking to apply for other permissions at the same time (for example other MA applications or applications in respect of an internal model). When a firm first informs the PRA of its plans to submit an MA application in future, the PRA would also expect to discuss appropriate engagement touchpoints.

9. How long would a typical ARAP take?

The length of time needed for an ARAP will primarily depend on the nature and complexity of the proposed MA application. It is therefore not possible to give a typical timescale.

10. Will a firm be notified of the review channel for its MA application?

The PRA will inform a firm if it considers its MA application to be suitable for a streamlined review process (as explained in Chapter 3 of the SoP). The PRA expects to communicate this to the firm in the early stages of the MA application review.

The PRA should be able to give a firm an indication of the likely review channel at the end of the ARAP. However, it will not confirm this until the MA application has been received and a triage assessment (as described in paragraph 3.3 of the SoP) is undertaken.