

HANDBOOK (RULEBOOK CONSEQUENTIALS NO 1) INSTRUMENT 2014**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in 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.

Commencement

- D. This instrument comes into force on 19 June 2014.

Amendments

- E. The modules of the PRA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
General provisions (GEN)	Annex C
Fees manual (FEES)	Annex D
General Prudential sourcebook (GENPRU)	Annex E
Prudential sourcebook for Insurers (INSPRU)	Annex F
Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)	Annex G
Supervision manual (SUP)	Annex H

Deletion

- G. Each of the following modules and chapters of the PRA’s Handbook is deleted:

PRIN (Principles for Businesses)

FINMAR (Financial Stability and Market Confidence Sourcebook)
SUP 2 (Information gathering by the FCA or PRA on its own initiative)
SUP 3 (Auditors)
SUP 5 (Reports by skilled persons)
SUP 6 (Applications to vary and cancel Part 4A permission and to impose, vary or cancel requirements)
SUP 8 (Waiver and modification of rules)
SUP 15 (Notifications to the FCA or PRA)

Citation

- H. This instrument may be cited as the Handbook (Rulebook Consequentials No 1) Instrument 2014.

By order of the Board of the Prudential Regulation Authority

13 June 2014

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text.

<i>close links</i>	...	<p>(2) (except where (1) applies and except in SUP 3 (Auditors) and SUP 4 (Actuaries)) (in accordance with paragraph 3(2) in Schedule 6 to the Act (Close links)) the relationship between a <i>person</i> (“A”) and another <i>person</i> (“CL”) which exists if:</p> <p>...</p> <p>(3) (in SUP 3 (Auditors) and SUP 4 (Actuaries)) (in accordance with section 343(8) of the Act (Information given by auditor or actuary to a regulator: persons with close links)) the relationship in (2), disregarding (e) and (f).</p> <p>...</p>
<i>eligible counterparty</i>	(1)	(for the purposes other than those set out in (2)) (in accordance with COBS 3.6.1R) a <i>client</i> that is either a <i>per se eligible counterparty</i> or an <i>elective eligible counterparty</i> .
	(2)	(for the purposes of PRIN, in relation to activities other than designated investment business) a client categorised as an eligible counterparty in accordance with PRIN 1 Annex 1 R. [deleted]
		...
<u>Fundamental Rules</u>		<u>the Fundamental Rules set out in Fundamental Rules 2 in the PRA Rulebook.</u>
		...
<i>material outsourcing</i>		<i>outsourcing</i> services of such importance that weakness, or failure, of the services would cast serious doubt upon the <i>firm</i> ’s continuing satisfaction of the <i>threshold conditions</i> or compliance with the Principles <i>Fundamental Rules</i> .
		...
<i>PRIN</i>		the part of the Handbook in High Level Standards that has the title

~~Principles for Businesses.~~ In relation to any rules in PRIN, the equivalent provision (if any) in the Fundamental Rules Part of the PRA Rulebook.

...

Principle

one of the Principles set out in PRIN 2.1.1R (Principles for Businesses)- or:

- (a) in relation to Principle 1, Fundamental Rule 1;
- (b) in relation to Principle 2, Fundamental Rule 2;
- (c) in relation to Principle 3, Fundamental Rule 5 or Fundamental Rule 6 as appropriate;
- (d) in relation to Principle 4, Fundamental Rule 4; and
- (e) in relation to Principle 11, Fundamental Rule 7.

...

regulatory system

...

the arrangements for regulating a *firm* or other *person* in or under the *Act*, including the *threshold conditions*, the ~~Principles~~ Fundamental Rules and other *rules*, the *Statements of Principle*, codes and *guidance* and including any relevant directly applicable provisions of a Directive or Regulation such as those contained in the *MiFID implementing Directive*, the *MiFID Regulation* and the *EU CRR*.

...

requisite details

the details required in regulation 1 of the *EEA Passport Rights Regulations* ~~and set out in SUP 13 Annex 1 R (Requisite details: branches).~~

...

rule

(in accordance with section 417(1) of the *Act* (Definitions)) a rule made by the *FCA* or the *PRA* under the *Act*, includes \div an evidential provision.

- (a) ~~a Principle;~~ and [deleted]
- (b) ~~an evidential provision~~ [deleted]

...

waiver

a direction waiving or modifying a *rule*, given by the ~~appropriate regulator~~ PRA under section 138A of the *Act* (Modification or waiver of rules) or by the *FCA* under sections 250, 261L or 294 of the *Act* (Modification or waiver of rules) or regulation 7 of the *OEIC Regulations* (see ~~SUP 8~~ and REC 3.3).

...

Annex B

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

In this Annex, underlining indicates new text and striking through indicates deleted text.

1.2 Purpose

...

1.2.1 G ~~The purposes of SYSC are:~~

- (1) ~~to encourage *firms' directors and senior managers* to take appropriate practical responsibility for their *firms' arrangements on matters likely to be of interest to the appropriate regulator* because they impinge on the *appropriate regulator's functions under the Act*; [deleted]~~
- (2) ~~to increase certainty by amplifying *Principle 3*, under which a *firm* must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems; [deleted]~~
- (3) ~~to encourage *firms* to vest responsibility for effective and responsible organisation in specific *directors and senior managers*; and [deleted]~~
- (4) ~~to create a common platform of organisational and systems and controls requirements for all *firms*. [deleted]~~

1.2.1A G The purposes of SYSC are:

- (1) to encourage *firms' directors and senior managers* to take appropriate practical responsibility for their *firms' arrangements on matters likely to be of interest to the PRA* because they impinge on the *PRA's functions under the Act*;
- (2) to encourage *firms* to vest responsibility for effective and responsible organisation in specific *directors and senior managers*; and
- (3) to create a common platform of organisational and systems and controls requirements for all *firms*.

...

11.1 Application

...

- 11.1.8 G Appropriate systems and controls for the management of *liquidity risk* will vary with the scale, nature and complexity of the *firm's* activities. Most of the material in SYSC 11 is, therefore, guidance. SYSC 11 lays out some of the main issues that the PRA expects a *firm* to consider in relation to *liquidity*

risk. A firm should assess the appropriateness of any particular item of guidance in the light of the scale, nature and complexity of its activities as well as its obligations as set out in Principle 3 to organise and control its affairs responsibly and effectively.

...

14.1 Application

...

14.1.6 G This section is designed to amplify ~~Principle 3 (Management and control) which requires the requirement~~ that a firm take reasonable care to must organise and control its affairs responsibly and effectively, and have effective risk strategies and with adequate risk management systems. This section is also designed to be complementary to SYSC 2, SYSC 3 and SYSC 13 in that it contains some additional *rules* and *guidance* on senior management arrangements and associated systems and controls for *firms* that could have a significant impact on the PRA's objectives

14.1.7 G In addition to supporting ~~PRIN~~ and SYSC 2, SYSC 3 and SYSC 13, this section lays the foundations for the more specific *rules* and *guidance* on the management of credit, market, liquidity, operational, insurance and group risks that are in SYSC 11, SYSC 12, SYSC 15, SYSC 16 and INSPRU 5.1. Many of the elements raised here in general terms are expanded upon in these sections.

...

15.1 Application

...

15.1.6 G Appropriate systems and controls for the management of credit risk will vary with the scale, nature and complexity of the *firm's* activities. Therefore the material in this section is *guidance*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations ~~as set out in Principle 3~~ to organise and control its affairs responsibly and effectively.

...

16.1 Application

...

16.1.4 G ...

(4) Appropriate systems and controls for the management of *market risk* will vary with the scale, nature and complexity of the *firm's*

activities. Therefore the material in this section is *guidance*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations ~~as set out in Principle 3~~ to organise and control its affairs responsibly and effectively.

...

17.1 Application

...

- 17.1.7 G Appropriate systems and controls for the management of insurance risk will vary with the scale, nature and complexity of a *firm's* activities. Therefore, the material in this section is *guidance*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations, ~~as set out in Principle 3~~, to organise and control its affairs responsibly and effectively.

...

20.1 Application and purpose

...

- 20.1.2 G ~~This chapter amplifies Principle 2, under which a *firm* must conduct its business with due skill, care and diligence, and Principle 3, under which a *firm* must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.~~[deleted]

...

Annex C**General Provisions (GEN)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

1.3 Emergency

...

1.3.2A R Notwithstanding GEN 1.3.2R(4), a notification under GEN 1.3.2R(3) must be given or addressed and delivered in accordance with Notifications 7 (Form and method of notification) of the PRA Rulebook (whether or not the person is a firm).

Annex D

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text.

3.2 Obligation to pay fees

...

3.2.7A R Table of application, notification and vetting fees payable to the PRA

(1) Fee payer	(2) Fee payable	Due Date
...		
(h) <i>A person</i> in respect of which the appropriate regulator has given notice of its intention to itself appoint a <i>skilled person</i> to provide it with a report pursuant to section 166(3)(b) of the <i>Act</i> and <i>SUP 5.2</i>
...		

...

4.3 Periodic fee payable by firms (other than AIFM qualifiers, ICVCs and UCITS qualifiers)

...

4.3.6A R If a *firm* has applied to cancel its *Part 4A permission* in the way set out in Permissions and Waivers 2 of the *PRA Rulebook*, then *FEES 4.3.6R(1)* and *(2)* do not apply but it must pay the total amount due when the application is made.

...

4.3.13A R (1) If:

(a) a *firm* makes an application to vary its *permission* (by reducing its scope), or cancel it, in the way set out in Permissions and Waivers 2 of the *PRA Rulebook*; and

(b) the *firm* makes the application or notification referred to in (a) before the start of the *fee year* to which the fee relates,

FEES 4.2.1R applies to the *firm* as if the relevant variation or cancellation of the *firm's permission* took effect immediately before the start of the *fee year* to which the fee relates.

(2) But (1) does not apply if, due to the continuing nature of the business, the variation or cancellation is not to take effect on or before 30 June of the *fee year* to which the fee relates.

...

Annex 2B R **PRA fee rates and EEA/Treaty firm modifications for the period from 1 April 2013 to 28 February 2014**

...

Part 5		
...		
(2)	The conditions in this paragraph are:	
	(a)	<i>FEES 4.3.13R</i> and <i>FEES 4.3.13AR</i> (Firms Applying to Cancel or Vary Permission Before Start of Period) does <u>do</u> not apply with respect to the relevant fee blocks;
	...	
...		

Annex E

Amendments to the General Prudential sourcebook (GENPRU)

In this Annex, underlining indicates new text and striking through indicates deleted text.

2 Capital

...

2.1.20 R ...

- (2) that election is made by written notice given to the ~~appropriate regulator~~ PRA in a way that complies with the requirements for written notice in ~~SUP 15.7~~ Notifications 7 (Form and method of notification) of the PRA Rulebook.

...

2 G Guidance on applications for waivers relating to Implicit items

Annex
8

1	...
2	Under section 138A of the <i>Act</i> , the <i>PRA</i> may, on the application of a <i>firm</i> , grant a <i>waiver</i> from PRU . There are general requirements that must be met before any <i>waiver</i> can be granted. As explained in SUP 8, <u>the</u> <u>The</u> <i>PRA</i> may not give a <i>waiver</i> unless the <i>PRA</i> is satisfied that:
	...
4	<i>Implicit items</i> are economic reserves which are contained within the long-term insurance business provisions. Article 27(4) of the <i>Consolidated Life Directive</i> identifies three types of <i>implicit item</i> , in respect of: future profits, <i>zillmerisation</i> and hidden reserves. This annex is intended to amplify the <u>provide guidance</u> in SUP 8 relating to the granting of <i>waivers</i> for <i>implicit items</i> and to provide <i>guidance</i> on other aspects. Whilst this <i>guidance</i> applies to applications for <i>waivers</i> for <i>implicit items</i> generally, for a <i>realistic basis life firm</i> , to the extent that an <i>implicit item</i> is allocated to a <i>with-profits fund</i> , this <i>guidance</i> relates to <i>implicit items</i> for the purposes of determining the <i>regulatory value of assets</i> (see INSPRU 1.4.24R).
	...
9	This annex sets out the procedures to be followed and the form of calculations and data which should be submitted by <i>firms</i> to the appropriate regulator <u>PRA</u> . This <i>guidance</i> should also be read in conjunction with the general requirements relating to the <i>waiver</i>

	<p>process described in <i>SUP 8</i>. The <i>PRA</i> expects that applications for <i>waivers</i> in respect of future profits and <i>zillmerising</i> will not normally be considered to pass the "would not adversely affect the advancement of any of the <i>PRA's</i> objectives" test unless the relevant criteria set out in this <i>guidance</i> have been satisfied and an application for such a <i>waiver</i> may require further criteria to be satisfied for this test to be passed. As set out below, <i>waivers</i> in respect of either <i>zillmerising</i> or hidden reserves will not normally be given except in very exceptional circumstances.</p>
Timing	
10	<p>A <i>long-term insurer</i> may apply to the <i>PRA</i> for a <i>waiver</i> in respect of <i>implicit items</i>. A <i>waiver</i> will not apply retrospectively (see <i>SUP 8.3.6 G</i>). Consequently, applications intended for a particular accounting reference date will normally need to be made well before that reference date. Applications by <i>firms</i> must be made to the <i>PRA</i> in writing and include the relevant details specified under <i>SUP 8.3.3D</i> <u>Permissions and Waivers 4 in the <i>PRA</i> Rulebook</u>. Given the uncertainty in predicting the future, <i>waivers</i> will normally be granted for a maximum of 12 months at a time and any further applications will need to be made accordingly.</p>
...	
15	<p>An application for a <i>capital resources waiver</i> (which includes an application for an extension to or other variation of a <i>waiver</i>) should be prepared using the standard application form for a <i>waiver</i> (see <i>SUP 8 Annex 2D</i>). In addition, the application should be accompanied by full supporting information to enable the <i>PRA</i> to arrive at a decision on the merits of the case. In particular, the application should state clearly the nature and the amounts of the <i>implicit items</i> that a <i>firm</i> wishes to count against its <i>capital resources requirement</i> and whether it proposes to treat the <i>implicit item</i> as <i>tier one capital</i> or <i>tier two capital</i>. In order to assess an application, the <i>PRA</i> needs information as to the make-up of the <i>firm's capital resources</i>, the quality of the capital items which have been categorised into each tier of capital and a breakdown of capital both within and outside the <i>firm's long-term insurance fund</i> or <i>funds</i> and between the <i>firm's with-profits funds</i> and <i>non-profit funds</i>. An explanation as to the appropriateness of the proposed treatment of the <i>implicit item</i> under the <i>capital resources table</i> should also be provided, including a demonstration that, in allowing for <i>implicit items</i>, there has been no double counting of future margins and that the basis for valuing such margins is prudent.</p>
...	
19	<p><i>Firms</i> should take into account any material changes in financial conditions or other relevant circumstances that may have an impact on the level of future profits that can prudently be taken into account. <i>Firms</i> should also re-evaluate whether an application to vary an</p>

	<p><i>implicit item waiver</i> should be made whenever circumstances have changed. In the event that circumstances have changed such that an amendment is appropriate, the <i>firm</i> must contact the <i>PRA</i> as quickly as possible in accordance with <i>Principle 11</i>. (See <i>SUP 8.5.1R</i>). <u><i>Fundamental Rule 7</i></u>. In this context, the <i>PRA</i> would expect notice of any matter that materially impacts on the <i>firm's</i> financial condition, or any <i>waivers</i> granted.</p>
...	
45	<p>The <i>PRA</i> will publish the <i>waiver</i> (see <i>SUP 8.6</i> and <i>SUP 8.7</i>). Public disclosure is standard practice unless the <i>PRA</i> is satisfied that publication is inappropriate or unnecessary (see section 138AB <u>138B</u> of the <i>Act</i>). Any request that a direction not be published should be made to the <i>PRA</i> in writing with grounds in support, as set out in <i>SUP 8.6</i>. Disclosure of a <i>waiver</i> will normally be required in the <i>firm's</i> annual <i>returns</i>.</p>

Annex F

Amendments to the Interim Prudential sourcebook for Insurers (INSPRU)

In this Annex, underlining indicates new text and striking through indicates deleted text.

2.1 Application

...

- 2.1.6 G The requirements in this section address both current and contingent exposure to credit risk. ~~PRIN and SYSC~~ requires a *firm* to establish adequate internal systems and controls for exposure to credit risk. This section requires a *firm* to restrict its exposure to different *counterparties* and assets to prudent levels and to ensure that those exposures are adequately diversified. It also requires a *firm* to make deductions from the value of assets in respect of exposures to one asset, *counterparty* or group of closely related *counterparties* in excess of prescribed limits.

...

- 2.1.23 R A *firm* must notify the PRA in accordance with ~~SUP 15.7~~ Notifications 7 (Form and method of notification) of the PRA Rulebook as soon as it first becomes aware that:

(1) ...

...

...

4.1 Application

...

- 4.1.5 G The purpose of this section is to amplify parts of INSPRU in their application to *liquidity risk* and, in so doing, to suggest minimum standards for management of that risk. The main relevant part, SYSC 14 (Prudential risk management and associated systems and controls), itself amplifies ~~Principle 3 (Management and control) and SYSC (Senior management arrangements, Systems and Controls)~~.

- 4.1.6 G Appropriate management of *liquidity risk* will vary with the scale, nature and complexity of the *firm's* activities. Most of the material in this section is, therefore, *guidance*. The section lays out some of the main issues that the PRA expects a *firm* to consider in relation to *liquidity risk*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations ~~as set out in Principle 3~~ to organise and control its affairs responsibly and effectively.

...

5.1 Application

...

- 5.1.8 G Appropriate management of operational risk will vary with the scale, nature and complexity of a *firm's* activities. Therefore the material in this section is *guidance*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations ~~as set out in Principle 3~~ to organise and control its affairs responsibly and effectively.

...

6.1 Application

...

- 6.1.16 G ~~Principle 4 requires a~~ A firm is required to maintain adequate financial resources, taking into account any activity of other members of the *group* of which the *firm* is a member. INSPRU 6.1 sets out provisions that deal specifically with the way the activities of other members of the *group* should be taken into account. This results in the *firm* being required to hold sufficient capital resources so that the *group capital resources* are at least equal to the *group capital resources requirement*. However, the adequacy of the *group capital resources* needs to be assessed both by the *firm* and the *PRA*. *Firms* are required to carry out an assessment of the adequacy of their financial resources under the *overall financial adequacy rule*, the *overall Pillar 2 rule* and GENPRU 1.2.39R, and the *PRA* will review this and may provide individual guidance on the amount and quality of *capital resources* the *PRA* considers adequate. As part of such reviews, the *PRA* may also form a view on the appropriateness of the *group capital resources requirement* and *group capital resources*. Where necessary, the *PRA* may also give individual *guidance* on the *capital resources* a *firm* should hold in order to comply with ~~Principle 4~~ the requirement to maintain adequate financial resources expressed by reference to INSPRU 6.1.9R and INSPRU 6.1.15R.

...

- 6.1.26 R A *firm* may elect to use the calculation method referred to in INSPRU 6.1.25R(2) if it has made the election by written notice to the *PRA* in a way that complies with the requirements for written notice in ~~SUP 15.7~~ Notifications 7 of the *PRA* Rulebook.

...

7.1 Application

...

- 7.1.26 G ~~The ICA should assume that a *firm* will continue to manage its business having regard to the *PRA's* and *FCA's* Principles for Businesses. In particular, a *firm* should take into account how the Principles for Businesses may constrain its prospective management actions, for example, the *FCA's Principle 6* (Treating Customers Fairly). [deleted]~~
- 7.1.26A G The ICA should assume that a *firm* will continue to manage its business having regard to the *Principles*. In particular, a *firm* should take into account how the *Principles* may constrain its prospective management actions.

Annex G

Amendments to the Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)

In this Annex, underlining indicates new text and striking through indicates deleted text.

3.1 Application and purpose

- 3.1.5 G ~~Under *Principles 3 and 4* a firm is required to take reasonable care to organise and control its affairs responsibly and effectively with adequate risk management systems and to maintain adequate financial resources. Under *Principle 9* a firm is obliged to take reasonable care to ensure the suitability of its *advice on investments* and discretionary decisions for any *customer* who is entitled to rely upon its judgement.~~[deleted]
- 3.1.5A G Under ~~*Principles 3 and 4*~~ *Fundamental Rules 4, 5 and 6* a firm is required to ~~take reasonable care to organise and control its affairs responsibly and effectively with adequate risk management systems~~ have effective risk strategies and risk management systems, to organise and control its affairs responsibly and effectively and to maintain adequate financial resources at all times.

...

Annex H

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

4.4 Appropriate actuaries

...

- 4.4.3 G An *appropriate actuary* should have skills and experience appropriate to the nature, scale and complexity of the *firm's* business and the requirements and standards under the regulatory system to which it is subject. ~~In complying with Principle 3, a~~ A firm should have regard to whether its proposed *appropriate actuary* has adequate qualifications and experience, and seek confirmation of this from the *actuary*, or the *actuary's* current and previous employers, as appropriate.

...

4.5 Provisions applicable to all actuaries

...

- 4.5.7A G In relation to Lloyd's, an effect of the *insurance market direction* set out ~~at SUP 3.1.13D~~ in Lloyd's (Auditors and Actuaries) 2 of the PRA Rulebook is that sections 342(5) and 343(5) of the *Act* (Information given by auditor or actuary to a regulator) apply also to *actuaries* who are appointed to evaluate the *long-term insurance business* of a *syndicate*.

...

10B PRA Approved Persons

...

10B.11.7 G Outsourcing arrangements

Outsourcing arrangements		Submitting form
...		
Outsourcing by A to B (both being a member of the same <i>United Kingdom group</i> and each having its registered office in the <i>United Kingdom</i>)	See SUP 10B.3.4G	See SUP 15.7.8G <u>If a firm is a member of a group which includes more than one firm, any one undertaking in the group may notify the PRA on behalf of all firms in the group to which the notification applies. In this way, that undertaking may satisfy the obligation of all relevant firms in the group to notify</u>

		the <i>PRA</i> . Nevertheless, the obligation to make the notification remains the responsibility of the individual <i>firm</i> itself.
...		

10B.14.1 D ...

- (3) An application by a *credit union* must be made using the form in *SUP* 10B Annex 4D or *SUP* 10B Annex 8D and must be submitted in the way set out in ~~*SUP* 15.7.4R to *SUP* 15.7.9G~~ Notifications 7 (Form and method of notification) of the *PRA* Rulebook.
- (4) Where a *firm* is obliged to submit an application online under (2), if the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored a *firm* must use the form in *SUP* 10B Annex 4D or *SUP* 10B Annex 8D and submit it in the way set out in ~~*SUP* 15.7.4R to *SUP* 15.7.9G~~ Notifications 7 (Form and method of notification) of the *PRA* Rulebook.

...

10B.14.3 G If the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more, the *FCA* and *PRA* will endeavour to publish a notice on their websites confirming that online submission is unavailable and that the alternative methods of submission set out in *SUP* 10B.14.1D(4) and ~~*SUP* 15.7.4R to *SUP* 15.7.9G~~ Notifications 7 (Form and method of notification) of the *PRA* Rulebook should be used.

...

11.9 Changes in close links

...

11.9.3-B G The *PRA* may ask the *firm* for additional information following a notification under *SUP* 11.9.1BR in order to satisfy itself that the *firm* continues to satisfy the *threshold conditions* ~~(see *SUP* 2: Information gathering by the *FCA* and *PRA* on their own initiative)~~.

...

13 Exercise of passport rights by UK firms

...

13.5.3 R (1) ~~A *UK firm*, other than a *credit union*, must submit any notice under *SUP* 13.5.1R(1), *SUP* 13.5.1AR or *SUP* 13.5.2R online at www.fca.org.uk using the *ONA* system. [deleted]~~

...

- (3) ~~Where a *firm* is obliged to submit a notice in accordance with (1), if the information technology systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored, a *firm* must submit that notice in the way set out in SUP 15.7.4 R to SUP 15.7.9 G (Form and method of notification). [deleted]~~

13.5.3-A R (1) A UK firm, other than a credit union, must submit any notice under SUP 13.5.1R(1), SUP 13.5.1AR or SUP 13.5.2R online at the PRA's website using the ONA system.

- (2) Where a *firm* is obliged to submit a notice in accordance with (1), if the information technology systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored, a *firm* must submit that notice in the way set out in Notifications 7 (Form and method of notification) of the PRA Rulebook.

13.5.3A G ~~A credit union must submit any notice under SUP 13.5.1R(1), SUP 13.5.1AR or SUP 13.5.2R in the way set out in SUP 15.7.4R to SUP 15.7.9 G (Form and method of notification). [deleted]~~

13.5.4 G (1) ~~If the information technology systems fail and online submission is unavailable for 24 hours or more, the appropriate UK regulator will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission set out in SUP 13.5.3R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification) should be used. [deleted]~~

- (2) ~~Where SUP 13.5.3 R(3) applies to a *firm*, GEN 1.3.2R (Emergency) does not apply. [deleted]~~

...

13.8.1A G ~~The effect of SUP 13.8.1R(1) is that a firm should submit any form, notice or application under SUP 13.8.1R(1) in the following ways: [deleted]~~

- (1) ~~A UK firm, other than a credit union, should submit it online at www.fca.org.uk using the ONA system. [deleted]~~

(2) ~~If the information technology systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored, a *firm* should submit it in the way set out in SUP 13.5.3 R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification). GEN 1.3.2R (Emergency) does not apply in these circumstances. [deleted]~~

- (3) ~~If the information technology systems fail and online submission is unavailable for 24 hours or more, the appropriate UK regulator will~~

~~endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission should be used. [deleted]~~

(4) [deleted]

13.8.1B G ~~A credit union should submit any form, notice or application under SUP 13.8.1R(1) in the way set out in SUP 13.5.3R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification). [deleted]~~

...

SUP 13A Annex 1 (Application of the Handbook to Incoming EEA Firms) is deleted in its entirety.

14.7 Cancellation of a top-up permission to carry on regulated activities outside the scope of the Single Market Directives or the auction regulation

14.7.1 G ~~Where an incoming EEA firm, an incoming Treaty firm or a UCITS qualifier wishes to cancel its top up permission, either with or without cancellation of its qualification for authorisation under Schedule 3, 4, or 5 to the Act, it should make an application following the procedures set out in SUP 6 (Applications to vary and cancel Part 4A Permission). [deleted]~~

...

16.2 Purpose

...

16.2.1 G (1) ~~In order to discharge its functions under the Act, the appropriate regulator needs timely and accurate information about firms. The provision of this information on a regular basis enables the appropriate regulator to build up over time a picture of firms' circumstances and behaviour. [deleted]~~

(2) ~~Principle 11 requires a firm to deal with its regulators in an open and cooperative way, and to disclose to the appropriate regulator appropriately anything relating to the firm of which the appropriate regulator would reasonably expect notice. The reporting requirements are part of the appropriate regulator's approach to amplifying Principle 11 by setting out in more detail the information that the appropriate regulator requires. They supplement the provisions of SUP 2 (Information gathering by the appropriate regulator on its own initiative) and SUP 15 (Notifications to the FCA or PRA). The reports required under these rules help the appropriate regulator to monitor firms' compliance with Principles governing relationships between firms and their customers, with Principle 4, which requires firms to maintain adequate financial resources, and with other requirements and standards under the regulatory system.~~

[deleted]

- 16.2.1A G (1) In order to discharge its functions under the Act, the PRA needs timely and accurate information about firms. The provision of this information on a regular basis enables the PRA to build up over time a picture of firms' circumstances and behaviour.
- (2) A firm is required to deal with the PRA in an open, cooperative and timely way, and to appropriately disclose to the PRA anything relating to the firm of which the PRA would reasonably expect notice. The reporting requirements are part of the PRA's approach to amplifying these requirements by setting out in more detail the information that the PRA requires. They supplement the rules relating to information gathering and notifications to the PRA. The reports required under these rules help the PRA to monitor firms' compliance with the requirement to maintain adequate financial resources, and with other requirements and standards under the regulatory system.

...

16.3 General provisions on reporting

...

- 16.3.23 G ~~When the appropriate regulator receives a report which contains confidential information and whose submission is required under this chapter, it is obliged under Part 23 of the Act (Public Record, Disclosure of Information and Co-operation) to treat that information as confidential. (See SUP 2.2.4G for the FCA and SUP 2.2.4AG for the PRA) [deleted]~~
- 16.3.24 G ~~SUP 2.3.12AG and SUP 2.3.12BG state that the appropriate regulator may pass to other regulators information which it has in its possession. Such information includes information contained in reports submitted under this chapter. The appropriate regulator's disclosure of information to other regulators is subject to SUP 2.2.4G or SUP 2.2.4AG (Confidentiality of information). [deleted]~~

...

- 16.10.4-A R The form referred to in SUP 16.10.4R is the Standing Data Form referred to in Notifications 10.2 of the PRA Rulebook.

...

App 2 Insurers: Regulatory intervention points and run-off plans

- 2.3.9 G ~~These rules are in addition to the other rules and guidance in SUP and in the PRA Rulebook, in particular SUP 2 (Information gathering by the appropriate regulator on its own initiative), SUP 15 (Notifications to the FCA or PRA), SUP 16 (Reporting requirements) and the Principles for~~

~~Businesses (PRIN):~~

...

- 2.13.1 R A *firm* which has submitted a *scheme of operations* to the *PRA*, whether required by *SUP* App 2.4, *SUP* App 2.5 or *SUP* App 2.8, or as part of an application under ~~*SUP* 6.3 (see *SUP* 6.3.25G), *SUP* 6.4 (see *SUP* 6 Annex 4), Permissions and Waivers 2 of the *PRA* Rulebook or *SUP* 11.5 (see *SUP* 11.5.5G)~~, or an amended *scheme of operations*, must during the period covered by that *scheme of operations*:

- (1) ...

...

...