

PRA RULEBOOK: CRR FIRMS: RESOLUTION ASSESSMENT INSTRUMENT 2019

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 instrument) 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: Resolution Assessment Instrument 2019

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

Commencement

- E. This instrument comes into force on 1 August 2019.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Resolution Assessment Instrument 2019.

By order of the Prudential Regulation Committee

11 July 2019

Annex

In this Annex, the text is all new and is not underlined.

Part

RESOLUTION ASSESSMENT

Chapter content

- 1. APPLICATION AND DEFINITIONS**
- 2. ASSESSMENT**
- 3. REPORT**
- 4. DISCLOSURE**

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to a *firm* that is a *UK bank* or *building society* that, on the *firm's* last *accounting reference date*, had *retail deposits* equal to or greater than £50 billion on:

- (1) an individual basis;
- (2) if the *firm* is a *parent institution in a Member State*, the basis of its *consolidated situation*; or
- (3) if the *firm* is controlled by a *parent financial holding company in a Member State* or by a *parent mixed financial holding company in a Member State* and the *PRA* is responsible for supervision of that holding company on a *consolidated basis* under Article 111 of the *CRD*, the basis of the *consolidated situation* of that holding company.

1.2 In this Part, the following definitions shall apply:

deposit

has the meaning given in 30, Part 1, Annex V (Reporting on financial information) of the European Banking Authority's Implementing Technical Standards amending the Commission's Implementing Regulation (EU) No 680/2014 on supervisory reporting under Regulation (EU) No 575/2013 of the European Parliament and of the Council.

retail deposit

means *deposits* from "households" as defined in 35(f), Part 1, Annex V (Reporting on financial information) of the European Banking Authority's Implementing Technical Standards amending the Commission's Implementing Regulation (EU) No 680/2014 on supervisory reporting under Regulation (EU) No 575/2013 of the European Parliament and of the Council.

1.3 Unless the contrary intention appears, all words and expressions used in this Part and in the *CRR* shall have the same meaning as in the *CRR*.

2 ASSESSMENT

2.1 A *firm* must carry out an adequate assessment of its preparations for resolution.

2.2 The assessment in 2.1 must:

- (1) be realistic;
- (2) include analysis of how the *firm* understands it would be resolved, any risks to its resolution and steps the *firm* is taking or plans to take to remove or reduce those risks; and
- (3) be reviewed by the *firm* if there is reason to suspect it is no longer accurate and updated if there has been a change in any of the matters to which it relates that impacts its assessment.

3 REPORT

3.1 A *firm* must submit to the *PRA* a report in writing of the assessment in 2.1 by:

- (1) the first Friday in October 2020; and
- (2) biennially thereafter, by the first Friday in October of the relevant calendar year.

3.2 A *firm* must submit to the *PRA* an updated version of the report in 3.1 within twenty *working days* of a change in the assessment carried out under Chapter 2.

4 DISCLOSURE

4.1 A *firm* must publish by the following dates a summary of the most recent report submitted to the *PRA* under Chapter 3:

- (1) the second Friday in June 2021; and
- (2) the second Friday in June of each calendar year following the year in which a *firm* is required to submit a report under 3.1(2).

Externally defined term

<i>Term</i>	<i>Definition source</i>
parent institution in a Member State	Article 4(1)(28) CRR
parent financial holding company in a Member State	Point 26 Article 3(1) CRD
parent mixed financial holding company in a Member State	Article 4(1)(32) CRR
consolidated basis	Article 4(1)(48) CRR
consolidated situation	Article 4(1)(47) CRR