

PRA RULEBOOK: CRR FIRMS: LIQUIDITY COVERAGE REQUIREMENT – UK DESIGNATED INVESTMENT FIRMS INSTRUMENT 2015

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”) and the European Communities Act 1972 (“the EC Act”):
- (1) section 137G of the Act (the PRA’s general rules);
 - (2) section 137T of the Act (general supplementary powers); and
 - (3) paragraph 1A of Schedule 2 (provisions as to subordinate legislation) of the EC Act.
- 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: Liquidity Coverage Requirement – UK Designated Investment Firms Instrument 2015

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

Commencement

- E. This instrument comes into force on 1 October 2015.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Liquidity Coverage Requirement – UK Designated Investment Firms Instrument 2015.

By order of the Board of the Prudential Regulation Authority

4 June 2015

Annex

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

Part

LIQUIDITY COVERAGE REQUIREMENT – UK DESIGNATED INVESTMENT FIRMS

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1 APPLICATION AND DEFINITIONS

1.1 This Part applies to a *UK designated investment firm*.

1.2 In this Part, the following definitions shall apply:

COREP Regulation

means the Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and the Council, as amended from time to time.

Delegated Regulation

means Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions, as amended from time to time.

1.3 Unless otherwise defined, any italicised expression used in this Part and in the *CRR* has the same meaning as in the *CRR*.

2 LIQUIDITY COVERAGE REQUIREMENT

2.1 (1) For the purpose of complying with Article 412 (1) of the *CRR*, a *firm* must comply with the obligations set out in the *Delegated Regulation* as they apply to a *credit institution* supervised under the *CRD*, subject to the modifications in (2).

(2) For the purposes of (1):

- (a) the provisions in Article 2(3) of the *Delegated Regulation* do not apply where Article 12 of the *CRR* applies;
- (b) the provisions in Article 2(3)(d) and Article 38 of the *Delegated Regulation* do not apply; and
- (c) any reference to *competent authority* means a reference to the *PRA*.

3 COMPLIANCE WITH LIQUIDITY REPORTING

3.1 In accordance with Article 6(4) and Article 11(3) of the *CRR*, a *firm* is exempt from complying with the obligations laid down in Title II and Title III of Part Six of the *CRR* on an individual basis and on a *consolidated basis*.

3.2 (1) A *firm* must comply with the reporting requirements laid down in Chapter 1 and Chapter 7 to Chapter 9 of the *COREP Regulation* with the exception of Article 15 as they apply to a *credit institution* supervised under the *CRD*.

(2) For the purpose of (1), a reference to Article 415 of the *CRR* in the *COREP Regulation* is construed as a reference to the obligations set out in (1).

4 APPLICATION OF THIS PART ON AN INDIVIDUAL BASIS AND A CONSOLIDATED BASIS

- 4.1 This Part applies to a *firm* on an individual basis whether or not it also applies to the *firm* on a *consolidated basis*.
- 4.2 A *firm* which is an *EEA parent institution* must comply with this Part on the basis of its *consolidated situation*.
- 4.3 A *firm* controlled by an *EEA parent financial holding company* or by an *EEA parent mixed financial holding company* must comply with this Part on the basis of the *consolidated situation* of that holding company if:
- (1) there is no *subsidiary* of the holding company which is a *credit institution* that is supervised under the *CRD*; and
 - (2) the *PRA* is responsible for the supervision of the *UK designated investment firm* on a *consolidated basis* under Article 111 of the *CRD*.
- 4.4 If this Part applies to a *firm* on a *consolidated basis*, the *firm* must carry out consolidation to the extent and in the manner prescribed in Articles 18(1), 19(1), 19(3) 23 and 24 (1) of the *CRR*.

5 TRANSITIONAL PROVISIONS

- 5.1 In 4.2 and 4.3 any reference to *EEA* is to be read as a reference to *EU*.