

Chapter 15

Prudential requirements

15.1 Application and purpose

General application

15.1.1 **R** Subject to **■** FPCOB 15.1.2R, this chapter applies to *firms* with a *Part 4A permission for regulated funeral plan activities*.

15.1.2 **R** This chapter does not apply to a *PRA-authorised person*.

Purpose

- 15.1.3 **G**
- (1) The purpose of **■** FPCOB 15 is to set out the detailed prudential obligations that apply to *regulated funeral plan activity*.
 - (2) Adequate financial resources are necessary for the effective management of prudential risks. The *rules* in this chapter therefore impose requirements relating to the financial resources of a *firm* to which this chapter applies.
 - (3) The *rules* concern the adequacy of the financial resources that a *firm* needs to hold in order to be able to meet its liabilities as they fall due (the *general solvency requirement*). These resources include both capital and liquidity resources.
 - (4) The *rules* also place a *core capital resources requirement* on a *firm* to which this chapter applies. This *core capital resources requirement* varies depending on the nature of the activities undertaken by the *firm*.