

FINANCIAL RESILIENCE REPORTING INSTRUMENT 2023

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under the following:
- (1) the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137T (General supplementary powers);
 - (c) section 139A (Power of the FCA to give guidance);
 - (d) section 293 (Notification requirements);
 - (2) regulation 109 (Reporting requirements) and regulation 120 (Guidance) of the Payment Services Regulations 2017; and
 - (3) regulation 49 (Reporting requirements) and regulation 60 (Guidance) of the Electronic Money Regulations 2011.
- B. The rule-making provisions listed at paragraph A(1) above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 1 January 2024.

Amendments to the Handbook

- D. The Supervision manual (SUP) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Financial Resilience Reporting Instrument 2023.

By order of the Board
27 April 2023

Annex

Amendments to the Supervision manual (SUP)

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

After SUP 16.29 (MIFIDPRU Remuneration Report), insert the following new section, SUP 16.30.

16.30 Baseline Financial Resilience Report

Application

16.30.1 R This section applies to any *firm* except:

- (1) a *credit broker*;
- (2) a *MIFIDPRU investment firm*;
- (3) a *not-for-profit debt advice body*;
- (4) a *PRA-authorised person*;
- (5) a *supervised run-off firm*; and
- (6) a *TP firm*.

16.30.2 R This section also applies to:

- (1) an *authorised electronic money institution*;
- (2) an *authorised payment institution*;
- (3) a *registered account information service provider*;
- (4) a *small electronic money institution*;
- (5) a *small payment institution*; and
- (6) a *UK RIE*.

16.30.3 R In this section, a reference to a *firm* includes the *firms* listed in SUP 16.30.2.

Purpose

16.30.4 G The purpose of this section is to require *firms* to provide the *FCA* with regular information in a standard format. This information will assist the *FCA* in assessing *firms*' financial resilience and targeting supervisory

resources according to *firms'* risk of failure and the harm they would cause if they failed.

Reporting requirement

- 16.30.5 R A *firm* to which this section applies must submit FIN 073 ('the Baseline Financial Resilience Report'):
- (1) in the format set out in *SUP* 16 Annex 53R;
 - (2) in accordance with the instructions in *SUP* 16 Annex 54G; and
 - (3) online, through the appropriate systems accessible from the *FCA's* website.
- 16.30.6 R The information in the Baseline Financial Resilience Report must be denominated in pound sterling.

Frequency and timing of report

- 16.30.7 R A *firm* must submit the Baseline Financial Resilience Report:
- (1) once every quarter; and
 - (2) within 20 *business days* after the relevant reporting reference date.
- 16.30.8 R A *firm's* reporting reference dates are:
- (1) Its *accounting reference date*;
 - (2) Its *accounting reference date* plus 3 *months*;
 - (3) Its *accounting reference date* plus 6 *months*; and
 - (4) Its *accounting reference date* plus 9 *months*.
- 16.30.9 R The information in the Baseline Financial Resilience Report must show the position at the relevant reporting reference date.

After SUP 16 Annex 52 (Guidance notes for the MIF008), insert the following new annexes, SUP 16 Annex 53 and SUP 16 Annex 54.

Data items for FIN073 (the Baseline Financial Resilience Report)

16 This annex consists of a form which can be found through the following link:
 Annex [Editor’s note: insert link to document containing data items for the Baseline
 53R Financial Resilience Report]

FIN073 - Baseline Financial Resilience Report

Completion Guidance

Guidance on completing this data item can be accessed via the help link next to the data item name.
 All monetary values should be completed as whole numbers.

Data items

- 1 Total amount of liquid assets that you control or have unrestricted access to
- 2 Average monthly cash needs arising from fixed costs
- 3 Net profit or loss in the last quarter
- 4 Revenue for the financial year to date
- 5 Net asset or liability position

Guidance notes on the data items for FIN073 (the Baseline Financial Resilience Report)

16 This annex consists of guidance which can be found through the following link:
Annex [Editor's note: insert link to document containing guidance on completing data
54G items for the Baseline Financial Resilience Report]

Guidance notes for FIN073 ('Baseline Financial Resilience Report')

Introduction

The purpose of FIN073 ('Baseline Financial Resilience Report') is to ensure that the Financial Conduct Authority (FCA) receives regular information in a standard format to assist it in assessing the financial resilience of certain firms.

Consolidated reports

This form should be completed by all *firms* except:

- a *credit broker*;
- a *MIFIDPRU investment firm*;
- a *not-for-profit debt advice body*;
- a *PRA-authorised person*;
- a *supervised run-off firm*; and
- a *TP firm*.

This form should also be completed by:

- an *authorised electronic money institution*;
- an *authorised payment institution*;
- a *registered account information service provider*;
- a *small electronic money institution*;
- a *small payment institution*; and
- a *UK RIE*.

Currency

All monetary values should be provided in Pound Sterling.

Data elements

All data should be entered in full figures, not rounded (for example, to 000s).

Reporting period

Firms should report as at the end of their financial quarter. This may not be the same as calendar quarter or UK fiscal quarter.

Basis of completion**1 – Total amount of liquid assets that you control or have unrestricted access to**

Firms should report the total liquid assets that they have unrestricted access to, as at the final day of their financial quarter, as a positive number. If they do not have access to any liquid assets, firms should report a zero.

‘Control’ or ‘have unrestricted access to’ means that the firm is able to decide when and how to access these without external input (e.g., from their parent or another member of their group).

Liquid assets are financial assets that firms have available to quickly meet their obligations. These include cash, available committed facilities and other high quality liquid assets listed below.

Cash includes coins and banknotes, unencumbered short-term deposits held at a credit institution (such as cash at bank), and reserves held in a central bank. It may include money received as part of a government-backed loan scheme but does not include client money.

Available committed facilities mean a credit facility which has been formally agreed between the firm and a lender, such as a loan or revolving credit facility with no material adverse change clause. Available committed facilities should be reported as positive values.

For the purposes of FIN073, only the following constitute high quality liquid assets:

- assets representing claims on, or guaranteed by, the UK government or the Bank of England;
- units or shares in a short-term Money Market Fund (MMF); and
- units or shares in a third country fund that is comparable to a short-term MMF.

A short-term MMF is a regulated money market fund that meets the definition of a ‘short-term MMF’ in article 2(14) of the Money Market Funds Regulation.

2 – Average monthly cash needs arising from fixed costs

Fixed costs are costs that are unlikely to be reduced or eliminated. This is likely to include, for example, salaries, rents and business rates. Cash needs arising from fixed costs include all fixed costs that result in a cash outflow. When assessing the average monthly cash needs arising from fixed costs, firms should estimate their needs for a period of three months following the calculation and divide the result by 3 to find the monthly average.

3 – Net profit or loss in the last quarter

This is the net profit or loss after tax over the relevant reporting period (financial quarter) with loss reported as a negative number. This should not be reported on a cumulative basis for the year but instead as the profit (loss) over the relevant reporting period.

4 – Revenue for the financial year to date

Revenue is the total income generated before deducting any expenses for the financial year to date, even if this has not been audited. Revenue may be zero but cannot be negative. If you have not completed a full quarter, you should report a zero for that quarter.

This submission should be completed on a cumulative basis (capturing the amount for each available quarter) for the firm's current financial year up to the reporting date.

5 – Net asset or liability position at the end of the last financial quarter

Net asset position is the total assets minus total liabilities at the end of the relevant reporting period (financial quarter). This should be reported as a negative number if the liabilities are greater than the assets.