

## MIFIDPRU 3 Annex 2R

### Application under MIFIDPRU 3.3.3R(1) for permission to classify an issuance of capital instruments as common equity tier 1 (CET1) capital

Details of Senior Manager responsible for this application:

*If the application is being made in respect of a MIFIDPRU investment firm or another SMCR firm, we would expect the individual responsible for it to hold a senior management function (SMF).*

Name of individual	
Job title / position	
Individual reference number (if applicable)	

1. Please confirm which of the following the applicant firm is:
  - a. MIFIDPRU investment firm that is not a consolidating UK parent entity or a GCT parent undertaking
  - b. MIFIDPRU investment firm that is a consolidating UK parent entity
  - c. MIFIDPRU investment firm that is a GCT parent undertaking
  - d. Consolidating UK parent entity (other than a MIFIDPRU investment firm)
  - e. GCT parent undertaking (other than a MIFIDPRU investment firm)

*If the application concerns more than one firm in the investment firm group, please submit separate applications for each firm.*

*For applications on consolidated basis, references to firm/institution should be interpreted as to a consolidated situation of the UK parent.*

2. For the instrument you would like to classify as CET1 capital, please provide the following information:
  - a. Type of instrument (e.g. ordinary shares, partnership capital):
  - b. If there is more than one class of the instrument, please list the different instrument classes:

- c. Total number of shares/units of instrument that have been issued or will be issued:

- d. Nominal value per share/unit of instrument:

- e. Share premium per share, if applicable:

- f. Total amount of capital being raised:

- g. Proposed date to be issued:

- h. Total expected CET1 after the inclusion of the amounts to which this application relates (please complete for all that apply):

MIFIDPRU investment firm (solo CET1)	£
GCT parent undertaking (expected value of own funds instruments as specified in MIFIDPRU 2.6.2R(1))	£
Consolidating UK parent undertaking basis (consolidated CET1)	£

3. For capital instruments to qualify as CET1 instruments, the following conditions must be met (see article 28 of the UK CRR). Please confirm whether these conditions are met:

- a. The instruments are issued directly by your institution, with prior approval of the owners or, if permitted by national law, the management body of the institution:

- b. The instruments are paid up and their purchase is not funded directly or indirectly by your institution (indirect funding is defined under article 8 of the onshored Regulatory Technical Standard (RTS) 241/2014 on own funds):

Yes/No

c. The instruments meet all of the following conditions as regards their classification:

i. they qualify as capital within the meaning of Art 28(1)(c)(i) of the UK CRR:

Yes/No

ii. they are classified as equity within the meaning of the applicable accounting framework:

Yes/No

iii. they are classified as equity capital for the purposes of determining balance sheet insolvency, where applicable under national insolvency law:

Yes/No

d. The instruments are clearly and separately disclosed on the balance sheet in the financial statements of your institution:

Yes/No

e. The instruments are perpetual:

Yes/No

f. The principal amount of the instruments may not be reduced or repaid except in the following cases:

i. the liquidation of your institution; or

ii. discretionary repurchases of the instruments or other discretionary means of reducing capital (e.g. call, redemption or repayment), where your institution has been granted prior permission of the competent authority under article 77 of the UK CRR:

Yes/No

h. The provisions governing the instruments do not indicate expressly or implicitly that the principal amount of the instruments would or might be reduced or repaid other than in the liquidation of your institution, and your institution does not otherwise provide such an indication prior to or at issuance of the instruments:

Yes/No

i. The instruments meet the following conditions regarding distributions:

- i. there is no preferential distribution treatment regarding the order of distribution payments, including in relation to other Common Equity Tier 1 instruments, and the terms governing the instruments do not provide preferential rights to payment of distributions:

Yes/No

- ii. distributions to holders of the instruments may be paid only out of distributable items:

Yes/No

- iii. the conditions governing the instruments do not include a cap or other restriction on the maximum level of distributions:

Yes/No

- iv. the level of distributions is not determined on the basis of the amount for which the instruments were purchased at issuance:

Yes/No

- v. the conditions governing the instruments do not include any obligation for your institution to make distributions to their holders and your institution is not otherwise subject to such an obligation:

Yes/No

- vi. non-payment of distributions does not constitute an event of default of your institution:

Yes/No

- vii. the cancellation of distributions imposes no restrictions on your institution:

Yes/No

- j. Compared to all the capital instruments issued by your institution, the instruments absorb the first and proportionately greatest share of losses as they occur, and each instrument absorbs losses to the same degree as all other Common Equity Tier 1 instruments:

Yes/No

- k. The instruments rank below all other claims in the event of insolvency or liquidation of your institution:

Yes/No

- l. The instruments entitle their owners to a claim on the residual assets of your institution, which, in the event of its liquidation and after the payment of all senior claims, is proportionate to the amount of the instruments issued and is not fixed or subject to a cap:

Yes/No

- m. The instruments are not secured, or subject to a guarantee that enhances the seniority of the claim by any of the following (answer "yes" if the instruments are not secured in this way):

- i. your institution or its subsidiaries:
- ii. the parent undertaking of your institution or its subsidiaries:
- iii. the parent financial holding company or its subsidiaries:
- iv. the mixed activity holding company or its subsidiaries:
- v. the mixed financial holding company and its subsidiaries:
- vi. any undertaking that has close links with the entities referred to in points i. to v.:

Yes/No

- n. The instruments are not subject to any arrangement, contractual or otherwise, that enhances the seniority of claims under the instruments in insolvency or liquidation (answer "yes" if the instruments are not subject to any arrangement in this way):

Yes/No

4. Partnership capital (this section should only be completed by partnerships).

Is the capital contributed in accordance with MIFIDPRU 3.3.15R or MIFIDPRU 3.2.16R?

Yes/No

Material on how UK CRR article 28(1)(e) and (f) may be complied with can be found in MIFIDPRU 3.3.15R and 3.3.16R.

5. Please confirm whether the capital issuance to which this application relates meets the criteria required by the UK CRR and the onshored Regulatory Technical Standard (RTS) 241/2014 on own funds:

Yes/No

*Please note that the FCA may request a copy of the terms of the instrument, or further information.*