

Chapter 4

Credit risk

4.1 Application and purpose

Application

- 4.1.1 **R** IFPRU 4 applies to an *IFPRU investment firm*, unless it is an *exempt IFPRU commodities firm*.

Purpose

- 4.1.2 **G** This chapter:
- (1) implements article 78 of *CRD*;
 - (2) contains the *rules* that exercise the discretion afforded to the *FCA* as *competent authority* under articles 115, 119(5), 124(2), 125(3), 126(2), 178(1)(b), 244(2), 245(2), 286(2), 298(4) and 380 of the *EU CRR*; and
 - (3) contains the *guidance* in relation to the *IRB* approach, *securitisation*, *counterparty credit risk* and *credit risk mitigation*.