

Prudential sourcebook for Investment Firms

IFPRU TP 5 Own funds: other transitionals

Application

- 5.1 R *IFPRU TP 5 applies to an IFPRU investment firm, unless it is an exempt IFPRU commodities firm.*

Purpose

- 5.2 G *IFPRU TP 5 contains the rules that exercise the discretion afforded to the FCA as competent authority under articles 479 to 480 of the EU CRR. The applicable percentages in IFPRU TP 5 apply for the duration of the transitional.*

Duration of transitional

- 5.3 R *IFPRU TP 5 applies until 31 December 2021.*

Recognition of instruments and items not qualifying as minority interests

- 5.4 R For the purposes of article 479(2) of the *EU CRR*, the applicable percentages are:
- (1) 0% during the period from 1 January 2014 to 31 December 2014;
 - (2) 0% during the period from 1 January 2015 to 31 December 2015;
 - (3) 0% during the period from 1 January 2016 to 31 December 2016; and
 - (4) 0% for the period from 1 January 2017 to 31 December 2017.

Recognition of minority interests and qualifying additional tier 1 and tier 2 capital

- 5.5 R For the purposes of article 480(1) of the *EU CRR*, the applicable factors are:
- (1) 0.2 during the period from 1 January 2014 to 31 December 2014;
 - (2) 0.4 during the period from 1 January 2015 to 31 December 2015;
 - (3) 0.6 during the period from 1 January 2016 to 31 December 2016; and
 - (4) 0.8 for the period from 1 January 2017 to 31 December 2017.

Additional filters and deductions

- 5.6 R For the purposes of article 481(1) of the *EU CRR*, the applicable percentages are:
- (1) 0% during the period from 1 January 2014 to 31 December 2014;
 - (2) 0% during the period from 1 January 2015 to 31 December 2015;
 - (3) 0% during the period from 1 January 2016 to 31 December 2016; and
 - (4) 0% for the period from 1 January 2017 to 31 December 2017.

Limits on grandfathering

- 5.7 R For the purposes of article 486 of the *EU CRR* the applicable factors are:
- (1) 80% during the period from 1 January 2014 to 31 December 2014;
 - (2) 70% during the period from 1 January 2015 to 31 December 2015;
 - (3) 60% during the period from 1 January 2016 to 31 December 2016;
 - (4) 50% during the period from 1 January 2017 to 31 December 2017;
 - (5) 40% during the period from 1 January 2018 to 31 December 2018;
 - (6) 30% during the period from 1 January 2019 to 31 December 2019;

- (7) 20% during the period from 1 January 2020 to 31 December 2020; and
- (8) 10% during the period from 1 January 2021 to 31 December 2021.