

Prudential sourcebook for Investment Firms

IFPRU TP 1 GENPRU and BIPRU waivers: transitional

Application

1.1 R *IFPRU* TP 1 applies to an *IFPRU* investment firm.

1.2 R *IFPRU* TP 1 applies where immediately before 1 January 2014, a waiver given in relation to a rule listed in column A of the tables in *IFPRU* 1.9R (Internal model waivers) and TP 1.10R (Other waivers) has effect.

Duration of transitional

1.3 R This section applies to each waiver in *IFPRU* 1.2 R, until the direction given in respect of that waiver ceases to have effect on its terms, or is revoked, whichever is the earlier.

Transitional

1.4 R Subject to *IFPRU* TP 1.7R, each waiver given in relation to a *FCA* rule listed in column A of the tables in *IFPRU* TP 1.9R (Internal model waivers) and TP 1.10R (Other waivers) is treated as a permission from the *FCA* to the firm under the *EU CRR* article listed in the same row in column B of those tables.

1.5 R Each permission under *IFPRU* TP 1.4R shall continue to have effect until the expiry date specified in the direction of the relevant waiver.

1.6 R Where a waiver listed in *IFPRU* TP 1.9R (Internal model waivers) and TP 1.10R (Other waivers) specifies that it applies to a firm on a consolidated basis in accordance with a relevant provision in *BIPRU* 8 (Group risk consolidation), the permission applies to the firm on the basis of its consolidated situation in accordance with article 11 of the *EU CRR* (Application of requirements on a consolidated basis: general treatment).

1.7 R A waiver listed in *IFPRU* TP 1.9R (Internal model waivers) only has effect in accordance with this TP where the firm has confirmed to the *FCA* that it materially complies with the requirements relevant to the rules listed in Column A of the table, as waived or modified by the waiver, and any conditions relevant to the application of the waiver or the firm has a remediation plan.

Interpretation

1.8 R For the purpose of *IFPRU* TP 1:

- (1) "permission" includes a consent, approval or agreement conferred on the *FCA* as a competent authority under any *EU CRR* article listed in column B of the tables in *IFPRU* 1.9R (Internal waivers) and *IFPRU* TP 1.10R (Other waivers);
- (2) any expression used in *IFPRU* TP 1.9R (Internal model waivers) and TP 1.10R (Other waivers) which are defined in the *Glossary* has the meaning in the version of the *Glossary* in force on 31 December 2013; and
- (3) any reference to *GENPRU* and *BIPRU* is to the version in force on 31 December 2013.

Tables

1.9 R Table on internal model waivers

	Permission	Column A FCA Rule (rule waiver or modification)	Column B EU CRR reference
1	Internal Ratings Based (IRB) permission for credit risk	- BIPRU 4 applies to a <i>firm</i> with an <i>IRB permission</i> - Rules waived or modified: (a) GENPRU 2.1.51 R (b) BIPRU 3.1.1 R	- Part Three, Title II, Chapter 3 - Art 143 - Art 178(1)(b) (where a <i>firm</i> is authorised to replace 90 days with 180 days for <i>exposures</i> secured by residential or SME commercial real estate in the retail <i>exposure</i> class)
2	Eligibility of physical collateral under the IRB Approach	- BIPRU 4.10.16 R (Where authorised by the <i>firm's IRB permission</i>)	Art 199(6)
3	Master netting agreement internal models approach	- BIPRU 5.6.1 R, in accordance with BIPRU 5.6.12 R	Art 221
4			[deleted]
5			[deleted]
6			[deleted]
7	Advanced Measurement Approach (AMA) permission	- BIPRU 6.5 applies to a <i>firm</i> with an <i>AMA permission</i> - <i>Rule</i> waived or modified: BIPRU 6.2.1 R	- Art. 312(2) - Part Three, Title III, Chapter 4
8	Combined use of different approaches for operational risk - AMA and Standardised Approach or Basic Indicator Approach	- BIPRU 6.2.9 R (in accordance with BIPRU 6.2.10 G and the <i>firm's AMA permission</i>)	Art 314(2) and (3)

	Permission	Column A FCA Rule (rule waiver or modification)	Column B EU CRR reference
9	Permission to use internal models to calculate <i>own funds requirements</i> for market risk (Value at Risk)	- BIPRU 7.10 applies to a firm with a <i>VaR model permission</i> - <i>Standard market risk PRR rules</i> as specified and waived or modified by the <i>firm's VaR model permission waiver</i>	- Art. 363 - Part Three; Title IV; Chapter 5; Sections 2, 3 and 4
10	Permission to use internal models to calculate <i>own fund requirements</i> for the correlation trading portfolio	-GENPRU 2.1.52 R BIPRU 7.10.55T R to BIPRU 7.10.55ZA R (Where the <i>firm</i> is authorised to use the <i>all price risk measure</i> in its <i>VaR model permission waiver</i>)	Art 377

1.10 R Table on other waivers and requirements

	Permission	Column A FCA Rule (rule waiver or modification)	Column B EU CRR Reference
1	Individual consolidation method	- BIPRU 2.1.7 R (<i>Solo consolidation waivers</i>)	Art 9
2	Derogation to the application of <i>own funds requirements</i> on a <i>consolidated basis</i> for groups of <i>investment firms</i>	- BIPRU 8.4 applies to a <i>firm</i> with an <i>investment firm consolidation waiver</i> - Rules waived: (a) BIPRU 8.2.1 R (b) BIPRU 8.2.2 R (c) BIPRU 8.3.1 R (d) BIPRU 8.3.2 R	Art 15 Art 17
3	Entities excluded from the scope of prudential consolidation	- BIPRU 8.5.9 R -BIPRU 8.5.10 R	Art 19(2)
4	Permission to revert to the use of a less sophisticated approach for credit risk	- BIPRU 4.2.23 R (as modified in accordance with BIPRU 4.2.25 G) - BIPRU 4.2.24 R (as modified in accordance with BIPRU 4.2.25 G)	Art 149
5	Traditional <i>securitisation</i> - recognition of significant risk transfer	- BIPRU 9.4.11 R -BIPRU 9.4.12 R (subject to conditions in BIPRU 9.4.15 D)	Art 244(2), (3) and (4)

	Permission	Column A FCA Rule (rule waiver or modification)	Column B EU CRR Reference
6	Synthetic <i>securitisation</i> -recognition of significant risk transfer	- BIPRU 9.5.1 R (6) and (7) (subject to conditions in BIPRU 9.5.1B D)	Art 245(2), (3) and (4)
7			[deleted]
8	Permission to revert to the use of a less sophisticated approach for <i>operational risk</i>	- BIPRU 6.2.5 R (as modified in accordance with BIPRU 6.2.6 G) - BIPRU 6.2.7 R (as modified in accordance with BIPRU 6.2.8 G)	Art 313
9	Combined use of different approaches for <i>operational risk</i> -Standardised Approach and Basic Indicator Approach	- BIPRU 6.2.12 R (as modified in accordance with BIPRU 6.2.13 G)	Art 314(4)
10	Waiver of the three-year average for calculating the <i>own funds requirement</i> under the Basic Indicator Approach for <i>operational risk</i>	- BIPRU 6.3.2 R (as modified in accordance with BIPRU 6.3.9 G)	Art. 315
11	Waiver of the three-year average for calculating the <i>own funds requirement</i> under the Standardised Approach for <i>operational risk</i>	- BIPRU 6.4.5 R (as modified in accordance with BIPRU 6.4.8 G)	Art. 317(4)
12	<i>Own funds requirements</i> for position risk for options and warrants on: (a) interest rates; (b) debt instruments; (c) equities; (d) equity indices; (e) financial futures; (f) swaps; and (g) foreign currencies	- BIPRU 7.9 applies to a <i>firm</i> with a CAD1 model waiver. - <i>Rules</i> waived or modified: (a) GENPRU 2.1.52 R (b) BIPRU 7.6.1 R	Art 329

		Permission	Column A FCA Rule (rule waiver or modification)	Column B EU CRR Reference
13		<i>Own funds requirements</i> for commodities risk for options and warrants on: (a) commodities; and (b) commodities derivatives	- BIPRU 7.9 applies to a <i>firm</i> with a <i>CAD1 model waiver</i> . - Rules waived or modified: (a) GENPRU 2.1.52 R (b) BIPRU 7.4.1 R	Art 358(3)
14		Interest rate risk on derivative instruments	- <i>CAD 1 model waiver</i> for the use of an interest rate pre-processing model in line with BIPRU 7.9.44 G - Rule waived: GENPRU 2.1.52 R	Art 331 Art 340
15		Waiver of 100% large exposure limits where the €150 million limit applies	- BIPRU 10.6.32 R (as waived in accordance with BIPRU 10.6.33 G) - SUP 15.3.11 R	Art 396 in relation to the 100% large exposure limit set out in Art 395(1)
16		Waiver of large exposure limits in relation to intra-group exposures: core group waivers	- BIPRU 3.2.25 R (2) - BIPRU 10.8A	Art 113(6) Art 400(1)(f)
17		Waiver of large exposure limits in relation to intra-group exposures: non-core group waivers	- BIPRU 10.9A	Art 400(2)(c), as implemented by <i>IFPRU</i> 8.2.4R to 8.2.13R (Intra-group exposures: non-core large exposures group)
1.11	G	The <i>requirement</i> imposed in relation to a <i>FCA</i> rule listed in column A of the table in <i>IFPRU</i> 1.12G (Requirements) is treated as imposed under the <i>EU CRR</i> article listed in the same row in column B of the table.		
1.12	G	Table on requirements		

		Requirement	Column A FCA Rule	Column B EU CRR Reference
1		Methods of prudential consolidation -art. 12(1) relationship	- BIPRU 8.5.6 R (2)	Art 18(3)
2		Methods of prudential consolidation- Significant influence or single management relationship	- BIPRU 8.5.6 R (2) - " <i>Article 134 relationship</i> "	Art 18(6)

Prudential sourcebook for Investment Firms

IFPRU TP 3 Gains and losses

Application

- 3.1 R *IFPRU TP 3 applies to an IFPRU investment firm, unless it is an exempt IFPRU commodities firm.*

Purpose

- 3.2 G *IFPRU TP 3 contains the rules that exercise the discretion afforded to the FCA as competent authority under articles 467 and 468 of the EU CRR. The applicable percentages in IFPRU TP 3 apply instead of articles 33(1)(c) (Changes in the value of own liabilities) and 35 (Unrealised gains and losses measured at fair value) of the EU CRR for the duration of the transitional.*

Duration of transitional

- 3.3 R *IFPRU TP 3 applies until 31 December 2017.*

Inclusion of unrealised losses at fair value

- 3.4 R For the purposes of article 467(1) of the *EU CRR*, the applicable percentages are:
- 1 20% during the period from 1 January 2014 to 31 December 2014;
 - 2 40% during the period from 1 January 2015 to 31 December 2015;
 - 3 60% during the period from 1 January 2016 to 31 December 2016; and
 - 4 80% for the period from 1 January 2017 to 31 December 2017.

[Note: article 467(2) of the *EU CRR*]

Removal of unrealised gains at fair value

- 3.5 R For the purposes of article 468(1) of the *EU CRR*, the applicable percentages are:
- 1 60% during the period from 1 January 2015 to 31 December 2015;
 - 2 40% during the period from 1 January 2016 to 31 December 2016; and
 - 3 20% for the period from 1 January 2017 to 31 December 2017.

[Note: article 468(2) of the *EU CRR*]

Inclusion of fair value gains and losses

- 3.6 R For the purposes of article 468(4) of the *EU CRR*, the applicable percentages are:
- 1 20% during the period from 1 January 2014 to 31 December 2014;
 - 2 40% during the period from 1 January 2015 to 31 December 2015;
 - 3 60% during the period from 1 January 2016 to 31 December 2016; and
 - 4 80% for the period from 1 January 2017 to 31 December 2017.

Prudential sourcebook for Investment Firms

IFPRU TP 4 Deductions from own funds

Application

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

Purpose

- 4.2 G *IFPRU TP 4 contains the rules that exercise the discretion afforded to the FCA as competent authority under articles 469, 474 and 477 of the EU CRR. The applicable percentages in IFPRU TP 4 apply instead of articles 36(1), 56 (1)(c) and 66 of the EU CRR for the duration of the transitional.*

Duration of transitional

- 4.3 R *IFPRU TP 4 applies until 31 December 2023.*

Deduction from common equity tier 1

- 4.4 R For the purposes of article 469(1)(a) of the *EU CRR*, as it applies to the items in points (b), (d), (f), (g) and (h) of article 36(1) of the *EU CRR* (Deductions from Common Equity Tier 1 items), the applicable percentages are:
- (1) 20% during the period from 1 January 2014 to 31 December 2014;
 - (2) 40% during the period from 1 January 2015 to 31 December 2015;
 - (3) 60% during the period from 1 January 2016 to 31 December 2016; and
 - (4) 80% for the period from 1 January 2017 to 31 December 2017.
- 4.5 R For the purposes of article 469(1)(a) of the *EU CRR* as it applies to the items in points (a), (e) and (i) of article 36(1) of the *EU CRR* (Deductions from Common Equity Tier 1 items), the applicable percentages are:
- (1) 100% during the period from 1 January 2014 to 31 December 2014;
 - (2) 100% during the period from 1 January 2015 to 31 December 2015;
 - (3) 100% during the period from 1 January 2016 to 31 December 2016; and
 - (4) 100% for the period from 1 January 2017 to 31 December 2017.
- 4.6 R For the purposes of article 469(1)(c) of the *EU CRR*, as it applies to the items in point (c) of article 36(1) of the *EU CRR* (Deductions from Common Equity Tier 1 items) that existed prior to 1 January 2014, the applicable percentages are:
- (1) 0% for the period from 1 January 2014 to 31 December 2014;
 - (2) 10% for the period from 1 January 2015 to 31 December 2015;
 - (3) 20% for the period from 1 January 2016 to 31 December 2016;
 - (4) 30% for the period from 1 January 2017 to 31 December 2017;
 - (5) 40% for the period from 1 January 2018 to 31 December 2018;
 - (6) 50% for the period from 1 January 2019 to 31 December 2019;
 - (7) 60% for the period from 1 January 2020 to 31 December 2020;
 - (8) 70% for the period from 1 January 2021 to 31 December 2021;
 - (9) 80% for the period from 1 January 2022 to 31 December 2022; and
 - (10) 90% for the period from 1 January 2023 to 31 December 2023.

4.7 R For the purposes of article 469(1)(c) of the *EU CRR*, as it applies to the items in point (c) of article 36(1) of the *EU CRR* (Deductions from Common Equity Tier 1 items) that did not exist prior to 1 January 2014, the applicable percentages are:

- (1) 20% during the period from 1 January 2014 to 31 December 2014;
- (2) 40% during the period from 1 January 2015 to 31 December 2015;
- (3) 60% during the period from 1 January 2016 to 31 December 2016; and
- (4) 80% for the period from 1 January 2017 to 31 December 2017.

Deductions from additional tier 1 items

4.8 R For the purposes of article 474(a) of the *EU CRR*, the applicable percentages are:

- (1) 20% during the period from 1 January 2014 to 31 December 2014;
- (2) 40% during the period from 1 January 2015 to 31 December 2015;
- (3) 60% during the period from 1 January 2016 to 31 December 2016; and
- (4) 80% for the period from 1 January 2017 to 31 December 2017.

Deductions from tier 2 items

4.9 R For the purposes of article 476(a) of the *EU CRR*, the applicable percentages are:

- (1) 20% during the period from 1 January 2014 to 31 December 2014;
- (2) 40% during the period from 1 January 2015 to 31 December 2015;
- (3) 60% during the period from 1 January 2016 to 31 December 2016; and
- (4) 80% for the period from 1 January 2017 to 31 December 2017.

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.

Prudential sourcebook for Investment Firms

IFPRU TP 6 Leverage

Application

6.1 R *IFPRU TP 6 applies to an IFPRU investment firm.*

Purpose

6.2 G *IFPRU TP 6 contains the rules that exercise the discretion afforded to the FCA as competent authority under article 499(3) of the EU CRR. IFPRU TP 6 applies instead of article 429(2) of the EU CRR (Leverage) for the duration of the transitional.*

Duration of transitional

6.3 R *IFPRU TP 6 applies until 31 December 2017.*

End-of-quarter level ratio

6.4 R *A firm may calculate the end-of-quarter leverage ratio instead of the leverage ratio that is an arithmetic mean of the monthly leverage ratios over a quarter.*

Prudential sourcebook for Investment Firms

IFPRU TP 7

Capital conservation buffer: transitional

Application

- 7.1 R *IFPRU TP 7 applies to an IFPRU investment firm, unless it is an IFPRU limited licence firm or exempt IFPRU commodities firm.*

Purpose

- 7.2 G This section implements article 160 of *CRD* in relation to the *capital conservation buffer*. The amounts of the *capital conservation buffer* in *IFPRU TP 7* apply instead of the amount of the *capital conservation buffer* in *IFPRU 10.2.1 R* (Main requirement) for the duration of the transitional.

Duration of transitional

- 7.3 R *IFPRU TP 7* applies with effect from 1 January 2016 (which is the date that *IFPRU 10.2* (Capital conservation buffer) comes into effect) until 31 December 2018.

Modified main requirement

- 7.4 R This rule modifies *IFPRU 10.2.1 R* (Main requirement) in the following manner:
- (1) from 1 January 2016 until 31 December 2016, the *capital conservation buffer* is the amount of *common equity tier 1 capital* equal to 0.625% of a firm's total risk exposure amount;
 - (2) from 1 January 2017 until 31 December 2017, the *capital conservation buffer* is the amount of *common equity tier 1 capital* equal to 1.25% of a firm's total risk exposure amount;; and
 - (3) from 1 January 2018 until 31 December 2018, the *capital conservation buffer* is the amount of *common equity tier 1 capital* equal to 1.875% of a firm's total risk exposure amount.

Prudential sourcebook for Investment Firms

IFPRU TP 8

Countercyclical capital buffer: transitional

8.1	R	[expired]
8.2	G	[expired]
8.3	R	[expired]
8.4	R	[expired]
8.5	R	[expired]
8.6	R	[expired]
8.7	R	[expired]
8.8	R	[expired]
8.9	R	[expired]
8.10	R	[expired]
8.11	R	[expired]

Prudential sourcebook for Investment Firms

IFPRU TP 9 Large exposures limits

Application

- 9.1 R IFPRU TP 9 applies to an *IFPRU investment firm*, unless it is an *exempt IFPRU commodities firm*.

Purpose

- 9.2 G IFPRU TP 9 contains the *rules* that exercise the discretion afforded to the *FCA* as *competent authority* under article 493(4) to (7) of the *EU CRR*. The applicable limits in IFPRU TP 9 apply for the duration of the transitional.

Duration of transitional

- 9.3 R IFPRU TP 9 applies until 31 December 2020.

Large exposures limits

- 9.4 R For the purposes of article 493(4) of the *EU CRR*, a *firm* may incur any of the exposures provided for in article 493(5) of the *EU CRR* meeting the conditions set out in article 493(6) of the *EU CRR*, up to the following limits:
- (1) 100% of the *firm's common equity tier 1 capital* and *additional tier 1 capital* until 31 December 2018;
 - (2) 75% of the *firm's common equity tier 1 capital* and *additional tier 1 capital* until 31 December 2019; and
 - (3) 50% of the *firm's common equity tier 1 capital* and *additional tier 1 capital* until 31 December 2020.

Prudential sourcebook for Investment Firms

Schedule 1 Record-keeping requirements

Sch 1 G

- (1) The aim of the *guidance* in the following table is to give the reader a quick overall view of the relevant record keeping requirements.
- (2) It is not a complete statement of those requirements and should not be relied on as if it were.
- (3) Table

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
IFPRU 2.2.43R and 2.2.44R	<i>Firm's</i> assessment of its financial resources	(1) The major sources of risk the <i>firm</i> has identified (2) How the <i>firm</i> intends to deal with those risks (3) Details of the stress and scenario analyses carried out and the resulting financial resources estimated to be required	Not specified	At least three years
IFPRU 4.3.17 G	Documents relating to rating systems	All documentation relating to a <i>firm's</i> rating systems (including any document referenced in IFPRU 4 or required by the <i>EU CRR</i> that relate to the IRB approach)	Not specified	At least three years

Prudential sourcebook for Investment Firms

Schedule 2 Notification and reporting requirements

Sch 2 G

- (1) The aim of the *guidance* in the following table is to give the reader a quick overall view of the relevant notification requirements.
- (2) It is not a complete statement of those requirements and should not be relied on as if it were.
- (3) Table

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
IFPRU 1.3.1 R	Results of calculations for supervisory benchmarking of internal approaches	Results of the calculations of a <i>firm's internal approaches</i> for its <i>exposures</i> or positions included in benchmark portfolios and an explanation of the methodologies uses	Calculation of the results of its <i>internal approaches</i>	Annually
IFPRU 1.5.1 R	Notification of FINREP reporting	Matters as described in IFPRU 1.5.1 R	Matters as described in IFPRU 1.5.1 R	No later than five <i>business days</i> from when an <i>IFPRU investment firm</i> identifies that it is a <i>FINREP firm</i> that is required to report FINREP or that is no longer required to submit FINREP.
IFPRU 2.2.31R	Changes to evaluation as a result of change in interest rates	Decline in economic value of the firm by more than 20% of its <i>own funds</i>	Change in interest rates	Not specified
IFPRU 2.2.37R(6)	Results of stress test and scenario analysis	Results of stress test and scenario analysis	Completion of stress test and scenario analysis	Annually, not later than three <i>months</i> of its annual reporting date
IFPRU 3.2.6 R	Intention to enter into a connected transaction	Fact of intention and details of each connected transaction sufficient to allow evaluation	Intention to enter into a connected transaction	At least one <i>month</i> prior to entry into the relevant transaction

IFPRU 3.2.8 R	<i>Additional tier 1 instrument</i> or tier 2 instrument governed by the law of <i>third country</i> are capable of being written down or converted into common equity tier 1 instrument	Information sufficient to demonstrate that any <i>additional tier 1 instrument</i> or tier 2 instrument issued by the <i>firm</i> that are governed by the law of <i>third country</i> are capable of being written down or converted into common equity tier 1 instrument to the same extent as an equivalent <i>own funds</i> instrument, including a properly reasoned legal opinion from an individual appropriately qualified in the relevant <i>third country</i>	Intention to issue	Not specified
IFPRU 3.2.10 R	Intention by <i>firm</i> or member of its <i>group</i> to issue a capital instrument, other than common equity tier 1 capital, for inclusion in <i>own funds</i>	Fact of intention and information in IFPRU 3.2.12 R, eg, details of intended amount, issue date, type of investor, stage of capital, features of instrument and confirmation of compliance with the conditions for qualification as <i>own funds</i>	Intention to issue	One <i>month</i> prior to issue
IFPRU 3.2.13 R	Intention by <i>firm</i> or member of its <i>group</i> to issue ordinary <i>shares</i> or debt instrument issued under a debt securities programme previously issued	Confirmation that terms of the capital instrument have not changed since the previous issue of that type of capital instrument and information in IFPRU IFPRU 3.2.12 R (1) and (3), eg, details of intended amount, issue date, type of investor, stage of capital, features of instrument and confirmation of compliance with the conditions for qualification as <i>own funds</i>	Intention to issue	No later than the date of issue

IFPRU 3.2.15 R	Proposed changes to details of the issue of a capital instrument notified	Proposed change to intended date of issue, amount of issue, type of investors, type of <i>own funds</i> or other feature	Intention to change any details of the issue previously notified to the <i>FCA</i>	As soon as changes are proposed
IFPRU 3.2.16 R	Intention by <i>firm</i> or member of its <i>group</i> member to amend or vary details of a capital instrument included in <i>own funds</i> or consolidated <i>own funds</i>	Proposed change and all information required under IFPRU 3.2.12 R (1) to IFPRU 3.2.12 R (4)	Intention to change any details of the issue previously notified to the <i>FCA</i>	One <i>month</i> prior to intended date of amendment
IFPRU 3.2.17 R	Intention by <i>firm</i> or member of its <i>group</i> member to reduce <i>own funds</i> or consolidated <i>own funds</i>	Actions described in article 77 of the <i>EU CRR</i>	Intention to carry out the actions described in article 77 of the <i>EU CRR</i>	As soon as intention is formed
IFPRU 4.12.1 R	Reliance on deemed transfer of significant risk under articles 244(2) and 245(2) of the <i>EU CRR</i> , including for the purposes of article 337(5) of the <i>EU CRR</i>	Sufficient information to allow the <i>FCA</i> to assess whether the possible reduction in risk-weighted exposure amounts achieved by the <i>securitisation</i> is justified by a commensurate transfer of credit risk to third parties	Intention to rely on deemed transfer of significant risk	Within a reasonable period before or after a relevant transfer, not being later than one <i>month</i> after the date of transfer
IFPRU 8.2.5 G IFPRU 8.2.5R(4)	Intention to concentrate intra-group <i>exposures</i> to <i>group</i> members in excess of 25% of <i>core UK group eligible capital</i>	Explanation of how IFPRU 8.2.5R(1) is met on a continuing basis and details of the counterparty, the size and expected duration of the <i>exposure</i>	Intention to concentrate intra-group <i>exposures</i> to <i>group</i> members in excess of 25% of <i>core UK group eligible capital</i>	Prior written notice before the <i>exposures</i> are concentrated
IFPRU 8.2.5R(6)	After ceasing to have concentration intra-group <i>exposures</i> in excess of 25% of <i>core UK group eligible capital</i> , intention to start to do so again	Explanation of how IFPRU 8.2.5R(1) is met on a continuing basis, details of the counterparty, the size and expected duration of the <i>exposure</i> and the reason for the <i>exposure</i>	Intention to start to concentrate intra-group <i>exposures</i> to <i>group</i> members in excess of 25% of <i>core UK group eligible capital</i>	Prior written notice before the start of concentrating <i>exposures</i> again
IFPRU 10.4.3 R (2)	Failure to meet the <i>combined buffer</i>	Failure to meet the <i>combined buffer</i>	Failure to meet the <i>combined buffer</i>	No later than five <i>business days</i> from when it identified its failure

IFPRU 10.4.3 R (9)	Intention to distribute any distributable profits or undertake any action under IFPRU 10.4.3 R (2)	Matters described in IFPRU 10.4.3 R (9)(a) to (d)	Intention to distribute any distributable profits or undertake any of the specified action	Not less than one <i>month</i> before intended date of distribution or action
IFPRU 10.5.2 R	Capital conservation plan	Capital conservation plan	Failure to meet the <i>combined buffer</i>	No later than five <i>business days</i> from when it identified its failure
IFPRU 11.2.15 R	<i>Recovery plan</i> actions	A decision to take an action referred to in a <i>recovery plan</i> or a decision not to take action	The decision to take action or not to take action	Without delay
IFPRU 11.3.17 R	<i>Group recovery plan</i> actions	A decision to take an action referred to in a <i>group recovery plan</i> or a decision not to take action	The decision to take action or not to take action	Without delay
IFPRU 11.4.4 R	Resolution plan information	The change to the information in IFPRU Annex 2R (Resolution plan information)	A change to the legal or organisational structure of the <i>firm</i> or <i>group</i> , its business or its financial situation, which could materially affect the information in IFPRU Annex 2R (Resolution plan information)	Without delay
IFPRU 11.5.18 R	Giving <i>group</i> financial support using an <i>RRD group financial support agreement</i>	The reasoned decision of the management body in line with IFPRU 11.5.16 R and the details of the proposed financial support including a copy of the <i>RRD group financial support agreement</i>	An intention to provide <i>group</i> financial support using an <i>RRD group financial support agreement</i>	Before providing the support
IFPRU 11.5.21 R	Giving <i>group</i> financial support using an <i>RRD group financial support agreement</i>	The decision of the <i>management body</i> of the <i>RRD institution</i> to give financial support	The decision to give financial support	Not specified
IFPRU 11.7.2 R, and IFPRU 11.7.3 R	Resolution notifications	Matters described in IFPRU 11.7.2 R and IFPRU 11.7.3 R	The occurrence of the situations described in IFPRU 11.7.2 R, or IFPRU 11.7.3 R	Immediately on the occurrence of the situations described in IFPRU 11.7.2 R or IFPRU 11.7.3 R

Prudential sourcebook for Investment Firms

Schedule 3 Fees and other requirement payments

Sch 3 G

There are no requirements for fees or other payments in *IFPRU*.

Prudential sourcebook for Investment Firms

Schedule 4 Intentionally left blank

Sch 4
Intentionally left blank

Prudential sourcebook for Investment Firms

Schedule 5 Rights of action for damages

Sch 5 G

- (1) The table below sets out the rules in *IFPRU* contravention of which by an *authorised person* may be actionable under section 138D of the Act (Actions for damages) by a person who suffers loss as a result of the contravention.
- (2) If a "Yes" appears in the column headed "For private person", the *rule* may be actionable by a private person under section 138D (or, in certain circumstances, his fiduciary or representative; see article 6(2) and (3)(c) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI 2001/2256)). A "Yes" in the column headed "Removed" indicates that the *FCA* has removed the right of action under section 138D(3) of the Act. If so, a reference to the rule in which it is removed is also given.
- (3) The column headed "For other person" indicates whether the *rule* may be actionable by a *person* other than a private person (or his fiduciary or representative) under article 6(2) and (3) of those Regulations. If so, an indication of the type of *person* by whom the *rule* may be actionable is given.

Chapter/ Appendix	Section/Annex	Right of action under section 138D		
		For private person	Removed	For other person
All rules in <i>IFPRU</i>		No	Yes - <i>IFPRU</i> 1.6.1 R	No

Prudential sourcebook for Investment Firms

Schedule 6 Rules that can be waived

Sch 6 G

The rules in *IFPRU* may be waived by the *FCA* under section 138A of the *Act* (Modification or waiver of rules). However, if the *rules* incorporate requirements laid down in European directives or regulations, it will not be possible for the *FCA* to grant a *waiver* that would be incompatible with the *UK's* responsibilities under those directives and regulations. It therefore follows that if a *rule* in *IFPRU* contains provisions which derive partly from a directive or regulation, and partly not, the *FCA* will be able to consider a *waiver* of the latter requirements only, unless the directive or regulation provisions are optional rather than mandatory

