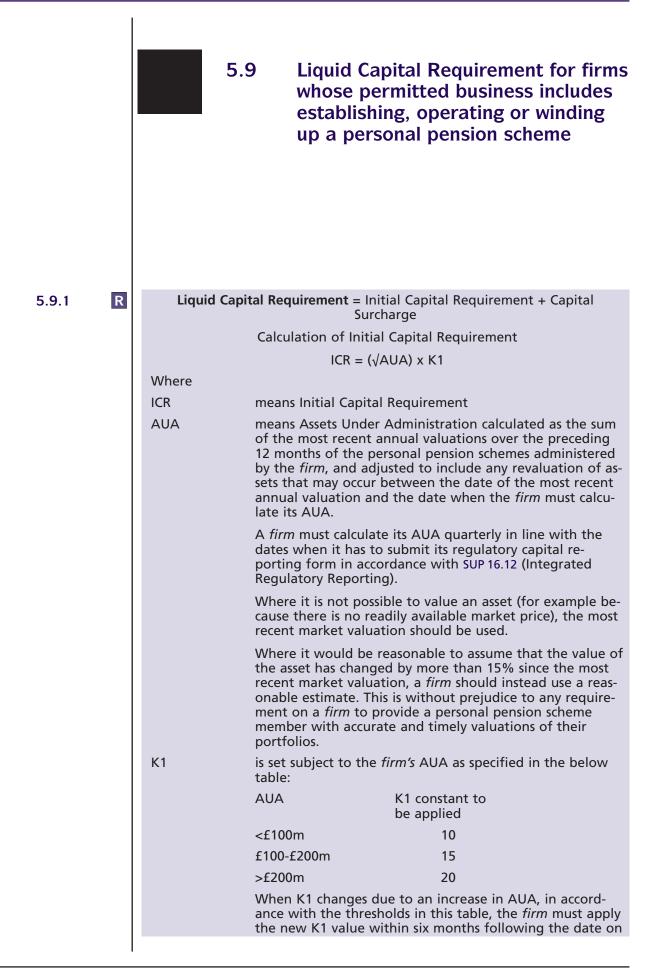
Interim Prudential sourcebook for investment businesses

Chapter 5

Financial resources

IPRU-INV 5 : Financial resources



	value.
	Calculation of Capital Surcharge
Where	$CS = (\sqrt{P}) \times K2 \times ICR$
CS	means Capital Surcharge
P	means the fraction of <i>personal pension schemes</i> adminis tered by the <i>firm</i> which contain one or more asset types which do not appear in the list of Standard Assets below at the most recent quarter end. For example, if a quarte of personal pensions contained non-Standard Assets, this would be inputted in to the formula as 0.25.
К2	is set at 2.5.
ICR	means the Initial Capital Requirement calculated as abov
	Standard Assets
	The List of Standard Assets is as follows (subject to Note 1):
	Cash
	Cash funds
	Deposits
	Exchange traded commodities
	Government & local authority bonds and other fixed interest stocks
	Investment notes (structured products)
	Shares in Investment trusts
	Managed pension funds
	National Savings and Investment products
	Permanent interest bearing shares (PIBs)
	Physical gold bullion
	Real estate investment trusts (REITs)
	Securities admitted to trading on a regulated venue
	UK commercial property
	Units in regulated collective investment schemes
NOTE 1:	A Standard Asset must be capable of being accurately ar fairly valued on an ongoing basis and readily realised within 30 days, whenever required.
NOTE 2:	In addition to complying with the provisions of IPRU-INV 5.8, in accordance with IPRU-INV 5.3.2R, a <i>firm</i> must hold i <i>liquid capital</i> in financial resources as follows:
	ICR realisable within 12 months; and
	CS realisable within 30 days