

Prudential sourcebook for MiFID Investment Firms

MIFIDPRU TP 5 Advance data collection

		Application
5.1	R	<p>MIFIDPRU TP 5 applies to:</p> <ol style="list-style-type: none"> (1) a <i>MIFIDPRU investment firm</i>; and (2) a <i>UK parent entity</i>.
		Duration
5.2	R	MIFIDPRU TP 5 applies from 1 December 2021 until 1 January 2022 (the “relevant period”).
		Purpose
5.3	G	<ol style="list-style-type: none"> (1) MIFIDPRU TP 5 requires <i>MIFIDPRU investment firms</i> and <i>UK parent entities</i> to begin collecting data on <i>K-factor metrics</i> one month before the <i>MIFIDPRU</i> sourcebook begins to apply in full. (2) If <i>firms</i> and <i>parent undertakings</i> will be using the alternative calculation in MIFIDPRU TP 4 after MIFIDPRU begins to apply in full, the data covering the relevant period will allow them to calculate their <i>K-factor requirement</i> during the first month. (3) If <i>firms</i> and <i>parent undertakings</i> will be using the reasonable estimates approach in MIFIDPRU TP 4 after MIFIDPRU begins to apply in full, the data covering the relevant period will provide at least one month’s observed historical data which must be used in the relevant calculations. The observed data may also be helpful for verifying whether any remaining estimated historical data points are reasonable.
		Requirement to collect data on K-factor metrics
5.4	R	<ol style="list-style-type: none"> (1) A <i>MIFIDPRU investment firm</i> or <i>UK parent entity</i> must collect the required information in (2) throughout the relevant period. (2) The required information is: <ol style="list-style-type: none"> (a) for a <i>MIFIDPRU investment firm</i>, data on the <i>K-factor metrics</i> that the <i>firm</i> would be required to collect to calculate its individual <i>K-factor requirement</i> if MIFIDPRU applied in full; and (b) for a <i>UK parent entity</i>, data on the <i>K-factor metrics</i> that the <i>investment firm group</i> would be required to collect to calculate its <i>K-factor requirement</i> on a consolidated basis if MIFIDPRU applied in full.
5.5	G	MIFIDPRU TP 5.4R only requires a <i>firm</i> or <i>parent undertaking</i> to collect data on <i>K-factor metrics</i> that are relevant to the <i>investment services/and or activities</i> that it carries on (or in the case of a <i>parent undertaking</i> , that relevant entities within its <i>investment firm group</i> carry on).

