

Chapter 16

Reporting requirements

16.16 Prudent valuation reporting

Application

16.16.1 **R** This section applies to a *full-scope IFPRU investment firm* which meets the condition in **■ SUP 16.16.2 R**.

16.16.2 **R** The condition referred to in **■ SUP 16.16.1 R** is that, on its last *accounting reference date*, the *firm* had balance sheet positions measured at fair value which, on a gross basis (the sum of the absolute value of each of the assets and liabilities), exceeded £3 billion.

Purpose

- 16.16.3** **G**
- (1) The purpose of this section is to set out the requirements for a *firm* specified in **■ SUP 16.16.1 R** to report the outcomes of its prudent valuation assessments to the *FCA* and to do so in a standard format.
 - (2) The purpose of collecting this data on the prudent valuation assessments made by a *firm* is to assist the *FCA* in assessing the capital resources of *firms*, to enable the *FCA* to gain a wider understanding of the nature and sources of measurement uncertainty in fair-valued financial instruments, and to enable comparison of the nature and level of that measurement uncertainty across *firms* and over time.

[Note: articles 24 and 105 of the *EU CRR*]

Reporting requirement

16.16.4 **R** (1) **■** A *firm* to which this section applies must submit to the *FCA* quarterly (on a calendar year basis and not from a *firm's accounting reference date*), within six weeks of each quarter end, a Prudent Valuation Return in respect of its fair-value assessments in the format set out in **■ SUP 16 Annex 31A**.

(2) [deleted]

16.16.5 **R** [deleted]

16.16.5A **R** Where a *firm* to which **■ SUP 16.16.4 R** applies is a member of a *FCA consolidation group*, the firm must comply with **■ SUP 16.16.4 R**:

- (1) on a solo-consolidation basis if the *firm* has an individual consolidation/solo consolidation permission, or on an unconsolidated basis if the *firm* does not have an individual consolidation/solo consolidation permission; and
- (2) separately, on the basis of the consolidated financial position of the *FCA consolidation group*. (*Firms'* attention is drawn to ■ SUP 16.3.25 G regarding a single submission for all *firms* in the *group*.)