

ENLARGEMENT OF EU (DEFINITION OF ZONE A) INSTRUMENT 2004**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power); and
 - (2) section 157(1) (Guidance).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 1 January 2005.

Amendments to the Handbook

- D. The modules of the FSA’s Handbook of rules and guidance listed in Column (1) below are amended in accordance with the Annexes to this instrument listed in Column (2).

(1)	(2)
Interim Prudential sourcebook for Investment Businesses (IPRU(INV))	Annex A
Interim Prudential sourcebook for Banks (IPRU(BANK))	Annex B
Interim Prudential sourcebook for Building Societies (IPRU(BSOC))	Annex C
Supervision manual (SUP)	Annex D
Glossary of definitions	Annex E

Citation

- E. This instrument may be cited as the Enlargement of EU (Definition of Zone A) Instrument 2004.

By order of the Board
18 November 2004

Annex A

Amendments to the Interim Prudential sourcebook for Investment Businesses

In this Annex underlining indicates new text and striking through indicates deleted text.

Chapter 3: Financial resources for Securities and Futures Firms which are not Investment Firms

APPENDIX 1 – GLOSSARY OF TERMS FOR IPRU(INV) 3

...

EEA State

means ~~(in accordance with paragraph 8 of Schedule 3 to the Act (EEA Passport Rights)) a State which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being; as at 21 June 2001, the following are the EEA States: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom; see definition of EEA State in the Glossary;~~

...

zone A

means ~~any country which is a full member of the OECD or has concluded special lending arrangements with the IMF associated with the IMF's General Arrangements to Borrow, provided it has not rescheduled its external sovereign debt to official or commercial bank creditors in the previous five years (Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany (including any pre-unification claims on East Germany), Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Portugal, Saudi Arabia, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States, the Channel Islands, Gibraltar, Bermuda and the Isle of Man) see definition of Zone A country in the Glossary; and~~

...

Chapter 5: Financial Resources
APPENDIX 1 (INTERPRETATION)
GLOSSARY OF TERMS FOR CHAPTER 5 (FORMER IMRO FIRMS)

...

EEA State

means (in accordance with paragraph 8 of Schedule 3 to the *Act* (EEA Passport Rights)) a State which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being; as at 21 June 2001, the following are the *EEA States*: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom; see definition of *EEA State* in the *Glossary*;

...

zone a country

means a country which is a member of the *OECD*, or which has negotiated special lending arrangements with the IMF.

Note: Countries which currently fall within this definition are Australia, Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Gibraltar, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, The Netherlands, New Zealand, Norway, Portugal, Saudi Arabia, Spain, Sweden, Switzerland, Turkey, *UK*, Channel Islands, Isle of Man and United States.

Note: For the purpose of determining whether a bank is in a *zone a* or *zone b* country, the place of incorporation is the relevant factor to be considered rather than the location of the branch. see definition of *Zone A country* in the *Glossary*

...

Chapter 10: Financial resources for Securities and Futures Firms which are Investment Firms
APPENDIX 1 – GLOSSARY OF TERMS FOR IPRU(INV) 10

...

EEA State

means (in accordance with paragraph 8 of Schedule 3 to the *Act* (EEA Passport Rights)) a State which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being; as at 21 June 2001, the following are the *EEA States*: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom; see definition of *EEA State* in the *Glossary*;

...

Zone A

~~means any country which is a full member of the *OECD* or has concluded special lending arrangements with the IMF associated with the IMF's General Arrangements to Borrow, provided it has not rescheduled its external sovereign debt to official or commercial bank creditors in the previous five years (Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany (including any pre-unification claims on East Germany), Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Portugal, Saudi Arabia, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States, the Channel Islands, Gibraltar, Bermuda and the Isle of Man)see definition of Zone A country in the Glossary; and~~

...

...

Annex B

Amendments to the Interim Prudential sourcebook for Banks

In this Annex, underlining indicates new text and striking through indicates deleted text.

Volume 1, Adequacy of Capital, Specific banking book treatments, BC Credit risk in the banking book, Section 3 Risk Weighting Framework: On Balance Sheet

...

3.2.8 Zone A/ Zone B countries

10

~~The term “*Zone A*” covers full members of the Organisation for Economic Co-operation and Development (OECD), and those countries which have concluded special lending arrangements with the International Monetary Fund (IMF) associated with the IMF’s General Agreement to Borrow (GAB), provided they have not rescheduled their external sovereign debt, to official or private sector creditors, in the previous five years. This group of countries is extended automatically to include any new countries which join the OECD, provided they meet the rescheduling criterion, from the date of their submission. *one A countries now comprise: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany (including pre-reunification claims on East Germany), Greece, Hungary, Iceland, Ireland, Italy, Japan, South Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Saudi Arabia, Spain, Sweden, Switzerland, Turkey, United Kingdom, and USA. For the definition of *Zone A country* see the *Glossary**~~

...

Annex C

Amendments to the Interim Prudential sourcebook for Building Societies

In this Annex underlining indicates new text and striking through indicates deleted text.

1 SOLVENCY

Annex 1G Definitions of Zone A and Zone B Countries

1G.1.1

~~Member States of the European Community and all other countries which are full members of the Organisation for Economic Co-operation and Development (OECD) and those countries which have concluded special lending arrangements with the International Monetary Fund (IMF) associated with the Fund's General Arrangements to Borrow (GAB). Any country which reschedules its external sovereign debt is however, precluded from Zone A for a period of 5 years. Zone A countries currently comprise Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany (including pre-unification claims on East Germany), Greece, Hungary, Iceland, Ireland, Italy, Japan, South Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Saudi Arabia, Spain, Sweden, Switzerland, Turkey, United Kingdom and USA. For the definition of Zone A country see the Handbook Glossary.~~

...

...

Annex D

Amendments to the Supervision manual

In this Annex, underlining indicates new text and striking through indicates deleted text.

SUP 16 Annex 2G: Guidance notes on completion of banks' reporting forms (including validations)

Supervisory Guidance Notes (SGN)

...

Appendix C

Zone A/Zone B countries

~~The term “Zone A” covers full members of the OECD and those countries which have concluded special lending arrangements with the IMF associated with the IMF’s General Arrangements to Borrow, provided they have not rescheduled their external sovereign debt to official or commercial bank creditors in the previous five years. At present, these countries comprise:~~

~~Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Saudi Arabia, Spain, South Korea, Sweden, Switzerland, Turkey, United Kingdom and United States.~~

For the definition of *Zone A country* see the *Glossary*.

...

Appendix D

Central banks (central monetary institutions)

...

Bulgaria	Bulgarian Foreign Trade Bank
Poland	Bank Handlowy w Warszawie (non-UK offices only)

Reporting institutions may however classify ~~FTBs as Zone B banks~~ the Bulgarian FTB as a Zone B bank and the Polish FTB as a Zone A bank, if they so wish, and should notify the FSA if they do so.

European Union

...

Belgium	Banque Nationale de Belgique, SA
<u>Cyprus</u>	<u>Central Bank of Cyprus</u>
<u>Czech Republic</u>	<u>Czech National Bank (Ceská Národní Banka)</u>
Denmark and Greenland	Danmarks Nationalbank
<u>Estonia</u>	<u>Bank of Estonia (Eesti Pank)</u>
Finland	Suomen Pankki - Finlands Bank

...

Greece	Bank of Greece
<u>Hungary</u>	<u>National Bank of Hungary (Magyar Nemzeti Bank)</u>
Ireland	Central Bank and Financial Services Authority of Ireland
Italy	Banca d'Italia
	Ufficio Italiano dei Cambi
<u>Latvia</u>	<u>Bank of Latvia (Latvijas Banka)</u>
<u>Lithuania</u>	<u>The Bank of Lithuania (Lietuvos Bankas)</u>
Luxembourg	Institut Monétaire Luxembourgeois
<u>Malta</u>	<u>Central Bank of Malta</u>
Netherlands	De Nederlandsche Bank NV
<u>Poland</u>	<u>National Bank of Poland (Narodowy Bank Polski)</u>
Portugal	Banco de Portugal
<u>Slovakia, the Republic of</u>	<u>National Bank of Slovakia (Národná Banka Slovenska)</u>
<u>Slovenia</u>	<u>Banka Slovenije</u>
Spain	Banco de España
...	
Other Western Europe	
...	
Croatia	National Bank of Croatia
Cyprus	Central Bank of Cyprus
Gibraltar	The Commissioner of Currency
...	
Macedonia	National Bank of Macedonia
Malta	Central Bank of Malta
Norway	Norges Bank
Slovenia	Banka Slovenije
...	
Other OECD countries	
...	
Canada	Bank of Canada
Czech Republic	Czech National Bank (Ceská Národní Banka)
Hungary	National Bank of Hungary (Magyar Nemzeti Bank)
Iceland	Central Bank of Iceland (Sedlabanki Islands)
...	
Mexico	Banco de Mexico SA
Poland	National Bank of Poland (Narodowy Bank Polski)
New Zealand	Reserve Bank of New Zealand
United States	Federal Reserve System (comprising the Federal Reserve Board and 12 Federal Reserve banks)
Eastern Europe	
...	
Bulgaria	National Bank of Bulgaria (Bulgarska Narodna Banka)
	Bulgarian Foreign Trade Bank
Estonia	Bank of Estonia (Eesti Pank)
Georgia	National Bank of Georgia
Kazakhstan	National State Bank of Kazakhstan
<u>Kirgizstan (Kyrgyzstan)</u>	<u>National Bank of Kyrgyzstan</u>

Latvia	Bank of Latvia (Latvijas Banka)
Lithuania	The Bank of Lithuania (Lietuvos Bankas)
...	
Russia	Central Bank of the Russian Federation
Slovakia, the Republic of	National Bank of Slovakia (Národná Banka Slovenska)
Tajikistan	National Bank of Tajikistan
...	

Annex E

Amendments to the Glossary

In this Annex underlining indicates new text and striking through indicates deleted text.

...

~~*Zone A country*~~

~~any *EEA State* and any other country which is a full member of the *OECD* and any country which has concluded special lending arrangements with the International Monetary Fund associated with the Fund's General Arrangements to Borrow.~~

Zone A country

(a) any *EEA State*;

(b) all other countries which are full members of the *OECD*; and

(c) those countries which have concluded special lending arrangements with the International Monetary Fund (IMF) associated with the Fund's general arrangements to borrow (GAB).

save that any country falling with (a), (b) or (c) which reschedules its external sovereign debt is precluded from Zone A for a period of five years.