

**INTEGRATED REGULATORY REPORTING (CREDIT INSTITUTIONS AND
INVESTMENT FIRMS) INSTRUMENT 2006**

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);
 - (2) section 156 (General supplementary powers); and
 - (3) 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. (1) Annex A, Annex B and Annex C (Part 1 – 5) of this instrument come into force on 1 January 2007.
- (2) Annex C (Part 6) of this instrument comes into force on 21 January 2008.

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)
Glossary of definitions	Annex A
Interim Prudential sourcebook for Banks (IPRU(BANK))	Annex B
Supervision manual (SUP)	Annex C

Citation

- E. This instrument may be cited as the Integrated Regulatory Reporting (Credit Institutions and Investment Firms) Instrument 2006.

By order of the Board
25 October 2006

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text.

...

data element A discrete fact or individual piece of information relating to a particular field within a *data item* required to be submitted to the *FSA* by a *firm* or other regulated entity.

data item One or more related *data elements* that are grouped together into a prescribed format and required to be submitted by a *firm* or other regulated entity under *SUP 16* or provisions referred to in *SUP 16*.

data set One or more *data items* relating to the same *regulated activity*.

...

Annex B

Amendments to the Interim Prudential sourcebook for Banks (IPRU (BANK))

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

GN Section 3

3.5 Definitions

...	...
participation	...
<u>permission</u>	<u>See definition in the <i>Glossary</i></u>
...	...

LM: Section 1

MISMATCH LIQUIDITY

1 INTRODUCTION

1.1 Legal sources

3 ...
The Banking Consolidation Directive (formerly the Second Banking Co-ordination Directive) requires the FSA as host supervisor to monitor, in co-operation with the relevant home supervisor, the liquidity of UK branches of credit institutions incorporated in other EEA countries. This covers all such branches, regardless of whether or not they have a deposit-taking permission in the UK.

1.2 Application

4 This chapter applies to ~~all banks authorised for the purposes of the Act except EEA banks that do not have a branch in the UK~~ in the manner set out in 1.1. In respect of EEA banks that have a branch in the UK but do not have a UK deposit-taking permission, only Sections 1, 2, 3, 4.2, 9.1 and 10 of the chapter apply. In respect of all ~~to~~-EEA banks and overseas banks with a branch in the UK, the chapter (or applicable sections of it) only applies in relation to the liquidity of those branches and not the bank as a whole.

1. (a) ~~For UK-incorporated banks, the present reporting form (LR), is completed on a solo basis, including any overseas branches. Where a bank ...~~
 - (i) ...
 - (b) Branches of EEA banks that do not have a deposit-taking permission in the UK are subject to some of the provisions of this chapter but are not subject to the liquidity mismatch guidelines set out in sections 4 to 8. The FSA monitors the liquidity of such branches by requiring

them to submit Form LR. Such branches may apply for a ‘global concession’ in accordance with section 4.2.

...

LM: Section 2

2 RATIONALE

...

2.2 How the FSA monitors liquidity

...

8 In the majority of cases the FSA monitors a bank’s liquidity position through the maturity mismatch approach.

(a) ...

(b) The FSA does not apply the full maturity mismatch approach to branches of EEA banks that do not have a deposit-taking permission in the UK, but instead monitors their liquidity via the Form LR.

LM: Section 3

3 MAIN FEATURES OF THE LIQUIDITY POLICY

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3.1 Main prudential policies applying to banks

...

See s9.3 4 A bank that is subject to liquidity mismatch guidelines should notify the FSA of any breaches of ~~its liquidity mismatch~~ those guidelines as soon as they occur.

3.2 A bank’s reporting obligations

See s9.2 5 A bank that has a deposit-taking permission in the UK must report its liquidity position quarterly on the Form LR or more frequently as required by the FSA.

See Supervision Manual, Chapter 16

See 6 An EEA bank with a branch in the UK that does not have a UK deposit-taking permission must report its liquidity position quarterly on the Form LR, or more frequently as required by the FSA.

Supervision Manual, Chapter 16

...

LM: Section 10

10 POLICY STATEMENTS

- ...
- 5 Except in the case of an EEA bank with a branch in the UK that does not have a UK deposit-taking permission, a A-liquidity policy statement should also cover a bank's agreed guidelines, its retail/ wholesale split and any behavioural or materiality adjustments.
- ...

LS: Section 3

5 MONITORING LIQUIDITY

5.2 Monitoring and reporting performance of sterling stock liquidity

- 2 A sterling stock liquidity bank should monitor its liquidity position on an inter-day basis. Any breaches of the wholesale sterling net outflow limit, the sterling stock 'floor' or the sterling stock liquidity ratio should be immediately reported to the FSA and a completed, contemporaneous form SLR1 sent to the firm's usual supervisory contact at the FSA detailing the liquidity breach.
- ...

Annex C

Amendments to the Supervision manual (SUP)

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

Part 1

Amendments to SUP Transitional provisions TP1

12 J	(1)	<u>SUP 16.7.24, 16.7.25 and 16.7.25A, SUP 16.7.27 and 16.7.27A</u>	R	<u>A securities and futures firm that is a BIPRU investment firm is not required to submit the Annual Reporting Statement, the Annual Reconciliation and the Consolidated Supervision Return under SUP 16.7.25R and SUP 16.7.27R (as appropriate).</u>	<u>1 January 2007 to 31 December 2007</u>	<u>Commencement and 1 January 2007</u>
	(2)	<u>SUP 16.7.35, SUP 16.7.36 and 16.7.36 A</u>	R	<u>An investment management firm that is a BIPRU investment firm is not required to submit the Annual Financial Return, the Consolidated Supervision Return and the Consolidated Financial Resources Return under SUP 16.7.36R.</u>	<u>1 January 2007 to 31 December 2007</u>	<u>Commencement and 1 January 2007</u>
	(3)	<u>SUP 16.7.67, SUP 16.7.68 and SUP 16.7.68A</u>	R	<u>A UCITS investment firm is not required to submit the Consolidated Supervision Return under SUP 16.7.68R.</u>	<u>1 January 2007 to 31 December 2007</u>	<u>13 February 2004 and 1 January 2007</u>
	(4)	<u>SUP 16.7.76, 16.7.77 and 16.7.77 A</u>	R	<u>A personal investment firm that is a BIPRU investment firm is not required to submit the Consolidated Supervision Return under SUP 16.7.77R.</u>	<u>1 January 2007 to 31 December 2007</u>	<u>1 April 2005 and 1 January 2007</u>
	(5)	<u>SUP 16.7.16 and SUP 16.7.17</u>	R	<u>A building society will not be required to submit reports MFS1, MFS1 Supp, MFS2 and QFS2 for reporting dates after 1 January 2008</u>	<u>From 1 January 2008</u>	<u>Commencement</u>

Part 2

Amendments to SUP 16.1-16.7

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- 16.3.7 R A ~~written~~ report or data item must:
- (1) give the *firm's* FSA firm reference number (or all the *firms'* FSA firm reference numbers in those cases where a report is submitted on behalf of a number of firms, as set out in SUP 16.3.25 G); and
 - (2) if submitted in paper form, be submitted with the cover sheet contained in SUP16 Ann 13R fully completed.

...

- 16.3.9 R Method of submission of reports (see SUP 16.3.8 R)

Method of delivery	
6.	Online submission via the FSA's website at www.fsa.gov.uk
7.	<u>Electronic submission via the Early Reporting System available from</u>

...

- 16.3.25 G If this chapter requires the submission of a report or data item covering a *group*, a single report or data item may be submitted, and so satisfy the requirements of all *firms* in the *group*. Such a report or data item should contain the information required from all of them, meet all the relevant due dates and indicate all the *firms* on whose behalf it is submitted; if necessary a separate covering sheet should list the *firms* on whose behalf a report or data item is submitted.

Nevertheless, the requirement to provide a report or data item, and the responsibility for the report or data item, remains with each *firm* in the *group*. However, reporting requirements that apply to a *firm*, by reason of the *firm* being a member of a *financial conglomerate*, are imposed only on one member of the *financial conglomerate* (see, for example, SUP 16.7.82R).

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16.7.7 R A *UK bank* must submit reports in accordance with *SUP 16.7.8 R* and *SUP 16.7.8A R*

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16.7.8A R Table financial reports from a *UK bank*

<u>Content of report</u>	<u>Form</u>	<u>Frequency</u>	<u>Due date</u>
<u>Key data (see note 1)</u>	<u>FSA009</u> <u>(Note</u> <u>2)</u>	<u>As for BSD3 under</u> <u><i>SUP 16.7.8 R.</i></u>	<u>As for BSD3 under</u> <u><i>SUP 16.7.8 R.</i></u>
<u>Non- EEA sub-</u> <u>group (Note 3)</u>	<u>FSA028</u> <u>(Note</u> <u>2)</u>	<u>Half yearly</u>	<u>30 business days</u> <u>after period end</u>

Note 1 A *UK bank* that calculates its capital requirements on a consolidated basis (see *IPRU(BANK) GN 3.3.13R(2)* and *IPRU(BANK) CS 4*) must also complete this return on a consolidated basis.

Note 2 Reports beginning FSA*** are contained within *SUP 16 Annex 24 R*

Note 3 This will be applicable to firms that report 'yes' in *data element 16A* in FSA009 on the reporting date. *Firms'* attention is drawn to *SUP 16.3.25 G* regarding a single submission for all *firms* in the *group*.

16.7.13 R Method of submission

A bank, other than an EEA bank with permission for cross-border services only, must submit the reports described in *SUP 16.7.8 R*, *SUP 16.7.8A R*, *SUP 16.7.10 R* and *SUP 16.7.12 R* to the following:

(1) BSD3, LE3, LR, SLR1, B7 and M1 to: The Financial Statistics Division Domestic Banking Group (HO-4) Bank of England Threadneedle Street London EC2R 8AH;

(2) FSA009 and FSA028 by electronic submission via the Early Reporting System available from or through the FSA's website;

(3) all other reports to the bank's usual supervisory contact at the address in *SUP 16.3.10 G*.

The Bank of England acts only as the agent of the FSA with regard to reports in (1).

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16.7.16 R A *building society* must submit reports in accordance with *SUP 16.7.17 R* and *SUP 16.7.17A R*

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16.7.17 R Table financial reports from a *building society*

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<u>Content of report</u>	<u>Form</u>	<u>Frequency</u>	<u>Due date</u>
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Key data (see note 1) FSA009 As for QFS1 under As for QFS1 under
(Note 2) SUP 16.7.16R SUP 16.7.16R
Note 1 A building society with subsidiary undertakings at the reporting date that are included within the Group figures on the QFS1 will have to submit one report on a society only basis and one on a Group basis.

Note 2 Reports beginning FSA*** are contained within SUP 16 Annex 24 R

16.7.19 R Method of submission

A building society must submit:

(1) the reports in SUP 16.7.17 R (other than the "Analysis of interest rate risk gap") either:

(a) by means of the Remote Data Entry system supplied by the FSA (and previously by the Building Societies Commission); or, should this be inoperable,

(b) by post or fax to the address in SUP 16.3.10 G using:

(i) the corresponding forms available from the FSA's website; or

(ii) its own version of the FSA's specified forms, provided that version is equivalent in terms of content and layout; and

(2) FSA009 in SUP 16.7.17A R by electronic submission via the Early Reporting System available from or through the FSA's website.

Notwithstanding a paper submission in accordance with (b), once the Remote Data Entry system is operable again, the reports must be submitted by its means.

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16.7.24 R *A securities and futures firm* which is a category A or B firm or a broad scope firm must submit reports to the FSA in accordance with SUP 16.7.25 R and SUP 16.7.25A R.

16.7.25 R Table financial reports from a securities and futures firm which is a category A or B firm or a broad scope firm

<u>Content of report</u>	<u>Form</u>	<u>Frequency</u>	<u>Due date</u>
<u>Key data</u>	<u>FSA009</u> <u>(Note 1)</u>	<u>Monthly, in line</u> <u>with Monthly</u> <u>reporting statement</u> <u>in SUP 16.7.25 R</u>	<u>As for Monthly</u> <u>reporting statement</u> <u>in SUP 16.7.25 R</u>
<u>Key data</u> <u>(Consolidated) (Note</u> <u>2)</u>	<u>FSA009</u> <u>(Note 1)</u>	<u>Half yearly, in line</u> <u>with Consolidated</u> <u>supervision return</u> <u>in SUP 16.7.25 R</u>	<u>As for Consolidated</u> <u>supervision return</u> <u>in SUP 16.7.25 R</u>
<u>Non- EEA sub-</u> <u>group (Note 3)</u>	<u>FSA028</u> <u>(Note 1)</u>	<u>Half yearly</u>	<u>30 business days</u> <u>after period end</u>

Note 1 Reports beginning FSA*** are contained within SUP 16 Annex 24 R
Note 2 Only for category A and B firms which are subject to the consolidation rules set out in IPRU (INV) Chapter 14. These firms must complete an FSA009 setting out the consolidated position in addition to a non-consolidated version.
Note 3 This will be applicable to firms that report 'yes' in data element 16A in FSA009 on the reporting date. Firms' attention is drawn to SUP 16.3.25 G regarding a single submission for all firms in the group.

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16.7.26 R A securities and futures firm which is a category C or D firm or an arranger or venture capital firm must submit reports to the FSA in accordance with SUP 16.7.27 R and, in the case of a securities and futures firm which is an ISD investment firm, SUP 16.7.27A R.

16.7.27 R Table financial reports from a securities and futures firm which is an ISD
A investment firm

<u>Content of report</u>	<u>Form</u>	<u>Frequency</u>	<u>Due date</u>
<u>Key data</u>	<u>FSA009</u> <u>(Note 1)</u>	<u>Quarterly in line</u> <u>with Quarterly</u> <u>reporting statements</u> <u>in SUP 16.7.27 R</u>	<u>As for Quarterly</u> <u>reporting</u> <u>statements in SUP</u> <u>16.7.27 R</u>
<u>Key data</u> <u>(Consolidated)</u> <u>(Note 2)</u>	<u>FSA009</u> <u>(Note 1)</u>	<u>Half yearly, in line</u> <u>with Consolidated</u> <u>Supervision Return</u> <u>in SUP 16.7.27 R</u>	<u>As for Consolidated</u> <u>Supervision Return</u> <u>in SUP 16.7.27 R</u>
<u>Non- EEA sub-</u> <u>group (Note 3)</u>	<u>FSA028</u> <u>(Note 1)</u>	<u>Half yearly</u>	<u>30 business days</u> <u>after period end</u>

Note 1 Reports beginning FSA*** are contained within SUP 16 Annex 24 R

Note 2 Only for category C firms which are subject to the consolidation rules set out in IPRU (INV) Chapter 14. These firms must complete an FSA009 setting out the consolidated position in addition to a non-consolidated version.

Note 3 This will be applicable to firms that report 'yes' in data element 16A in FSA009 on the reporting date. Firms' attention is drawn to SUP 16.3.25 G regarding a single submission for all firms in the group.

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16.7.31 R A securities and futures firm must submit:

(1) the reports in SUP 16.7.25 R and SUP 16.7.27 R in accordance with, and in the same format as:

(1a) the forms contained in SUP 16 Ann 10 R, and as required by section 6 of that annex; and

(2b) the form contained in SUP 16 Ann 20 R, and having regard to SUP 16 Ann 21 G; and

(2) the reports in SUP 16.7.25A R and SUP 16.7.27A R in accordance with

and in the same format as the *data items* contained in SUP 16 Annex 24 R, and having regard to SUP 16 Annex 25 G.

- 16.7.32 G *Guidance* notes for the completion of the reports and *data items* are contained in SUP 16 Annex 11 and SUP 16 Annex 25 G respectively.
- 16.7.33 R (1) Any report in SUP 16.7.23 R to SUP 16.7.30 R submitted to the FSA by a *securities and futures firm* must be signed by two authorised signatories satisfying the requirements of SUP 16.7.33 R(2), except for:
- (a) the audited accounts of a subsidiary of the *firm* and the *firm's* audited annual financial statements;
 - (b) other reports where the *firm* is a *sole trader*, when only one authorised signatory is required; and
 - (c) reports submitted in accordance with (3) and (5).
- (2) An authorised signatory must be:
- (a) for a *body corporate*, a *director*;
 - (b) for a *partnership*, a *partner* who is an *approved person* of the *firm*;
 - (c) for a *sole trader*, the proprietor.
- (3) A *firm* must use the FiRSt 5.0 software package made available to *firms* by the FSA (and previously by the SFA) to submit the following reports:
- (a) annual reporting statement;
 - (b) monthly reporting statement;
 - (c) quarterly reporting statement; and
 - (d) consolidated reporting statement.
- (4) Reports in (3) must be submitted to the FSA in accordance with the methods permitted by FiRSt 5 software. All other reports in SUP 16.7.24 R to SUP 16.7.30 R (apart from those in (5)) must be sent to the address given in SUP 16.3.10 G.
- (5) Reports in SUP 16.7.25A R and SUP 16.7.27A R must be submitted electronically via the Early Reporting System available from or through the FSA's website in the same format as set out in SUP 16 Annex 24 R, having regard to SUP 16 Annex 25 G.
- 16.7.35 R Investment management firms
- An *investment management firm* which is not one of the types of *firm* specified in SUP 16.7.37 R must submit reports to the FSA in accordance with SUP 16.7.36 R and, in the case of an *investment management firm* that

is an *ISD firm* as defined in IPRU(INV) 5, SUP 16.7.36A R.

<u>16.7.36 A</u>	<u>R</u>	<u>Table financial reports from an investment management firm that is an ISD firm, as defined in IPRU(INV) 5</u>			
		<u>Content of report</u>	<u>Form</u>	<u>Frequency</u>	
		<u>Key data</u>	<u>FSA009</u> <u>(Notes 1)</u>	<u>In line with</u> <u>Quarterly or</u> <u>Monthly Financial</u> <u>Returns applicable</u> <u>to the firm in SUP</u> <u>16.7.36 R</u>	<u>Due date</u> <u>As for Quarterly or</u> <u>Monthly Financial</u> <u>Returns applicable</u> <u>to the firm in SUP</u> <u>16.7.36 R</u>
		<u>Key data</u> <u>(Consolidated) (Note</u> <u>2)</u>	<u>FSA009</u> <u>(Note 1)</u>	<u>Half yearly in line</u> <u>with Consolidated</u> <u>Supervision Return</u> <u>applicable to the</u> <u>firm in SUP</u> <u>16.7.36 R</u>	<u>As for Consolidated</u> <u>Supervision Return</u> <u>applicable to the</u> <u>firm in SUP 16.7.36</u> <u>R</u>
<u>Key data</u> <u>(Consolidated) (Note</u> <u>3)</u>	<u>FSA009</u> <u>(Note 1)</u>	<u>Half yearly in line</u> <u>with Consolidated</u> <u>Financial</u> <u>Resources Return</u> <u>applicable to the</u> <u>firm in SUP</u> <u>16.7.36 R</u>	<u>As for Consolidated</u> <u>Financial Resources</u> <u>Return applicable</u> <u>to the firm in SUP</u> <u>16.7.36 R</u>		
<u>Non- EEA sub-</u> <u>group (Note 4)</u>	<u>FSA028</u> <u>(Note 1)</u>	<u>Half yearly</u>	<u>30 business days</u> <u>after period end</u>		

- Note 1 Reports beginning FSA*** are contained within SUP 16 Annex 24 R
- Note 2 Only for firms subject to IPRU(INV) Chapter 14. These firms must complete an FSA009 setting out the consolidated position in addition to a non-consolidated version.
- Note 3 Only for firms subject to IPRU(INV) 5.7.1(1) R. These firms must complete an FSA009 setting out the consolidated position in addition to a non-consolidated version.
- Note 4 This will be applicable to firms that report ‘yes’ in data element 16A in FSA009 on the reporting date. Firms’ attention is drawn to SUP 16.3.25 G regarding a single submission for all firms in the group.

...

- 16.7.38 R An investment management firm must submit the reports in:
- (1) SUP 16.7.36 R in accordance with, and in the same format as:
- (1a) the forms contained in SUP 16 Ann 5R, and as required by section 4 of that annex; and
- (2b) the forms contained in SUP 16 Ann 20R, and having regard to SUP 16 Ann 21G; and

(2) SUP 16.7.28A R in accordance with the format set out in SUP 16 Annex 24 R and electronically via the Early Reporting System available from or through the FSA's website.

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16.7.67 R UCITS Management Companies

A UCITS management company must submit reports to the FSA in accordance with SUP 16.7.68 R and, in the case of an UCITS investment firm, SUP 16.7.68A R.

16.7.68 R Table financial reports from an UCITS investment firm
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<u>Content of report</u>	<u>Form</u>	<u>Frequency</u>	<u>Due date</u>
<u>Key data (see note 1)</u>	<u>FSA009 (Note 1)</u>	<u>Quarterly in line with the Quarterly Financial Return in SUP 16.7.68R</u>	<u>As for Quarterly Financial Return in SUP 16.7.68R</u>
<u>Non-EEA sub-group (Note 2)</u>	<u>FSA028 (Note 1)</u>	<u>Half yearly</u>	<u>30 business days after period end</u>

Note 1 Reports beginning FSA*** are contained within SUP 16 Annex 24 R
Note 2 This will be applicable to firms that report 'yes' in data element 16A in FSA009 on the reporting date. Firms' attention is drawn to SUP 16.3.25 G regarding a single submission for all firms in the group.

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16.7.69 R *A UCITS management company must submit the reports in:*

- (1) SUP 16.7.68 R in accordance with, and in the same format as:
 - (1a) the forms contained in SUP 16 Annex 16, and as required by section 3 of that annex; and
 - (2b) the form contained in SUP 16 Annex 20, and having regard to SUP 16 Annex 21; and
- (2) SUP 16.7.68A R in accordance with the format set out in SUP 16 Annex 24 R and electronically via the Early Reporting System available from or through the FSA's website.

...

16.7.76 R *A firm not subject to other reporting requirements in SUP 16.7.1 G - SUP 16.7.75 R (nor to reporting requirements in IPRU(INS) or IPRU(FSOC)):*

- (1) ...
- (2) which is a, *personal investment firm*;

must submit reports to the *FSA* in accordance with *SUP* 16.7.77 R.

A firm which is a category A1, A2 or A3 *personal investment firm* must also submit *data items* in accordance with *SUP* 16.7.77A R.

16.7.77 R Table financial reports from a *personal investment firm*

A

<u>Content of report</u>	<u>Form</u>	<u>Frequency</u>	<u>Due date</u>
<u>Key data</u>	<u>FSA009</u> <u>(Note 1</u> <u>and 2)</u>	<u>In line with</u> <u>financial</u> <u>information</u> <u>submission</u> <u>requirements</u> <u>applicable to the</u> <u><i>firm</i> as set out in</u> <u>Note 3 of <i>SUP</i></u> <u>16.7.77 R.</u>	<u>As for due dates</u> <u>applicable to the</u> <u><i>firm</i> as set out in</u> <u>Note 3 of <i>SUP</i></u> <u>16.7.77R.</u>
<u>Key data</u> <u>(Consolidated)</u> <u>(Note 3)</u>	<u>FSA009</u> <u>(Note 1</u> <u>and 2)</u>	<u>Half yearly, in line</u> <u>with Consolidated</u> <u>Supervision Return</u> <u>applicable to the</u> <u><i>firm</i> under <i>SUP</i></u> <u>16.7.77 R</u>	<u>As for Consolidated</u> <u>Supervision Return</u> <u>under <i>SUP</i></u> <u>16.7.77R</u>
<u>Non- EEA sub-</u> <u>group (Note 4)</u>	<u>FSA028</u> <u>(Note 1</u> <u>and 2)</u>	<u>Half yearly</u>	<u>30 <i>business days</i></u> <u>after period end</u>

Note 1 Reports beginning FSA*** are contained within *SUP* 16 Annex 24 R

Note 2 FSA009 and FSA028 must be submitted electronically via the Early Reporting System available from or through the FSA's website.

Note 3 Only for a category A1, A2 or A3 *personal investment firm* if it is a member of a *group* and is subject to the consolidation *rules* set out in *IPRU (INV)* Chapter 14. These *firms* must complete an FSA009 setting out the consolidated position in addition to a non-consolidated version.

Note 4 This will be applicable to firms that report 'yes' in data element 16A in FSA009 on the reporting date. Firms' attention is drawn to *SUP* 16.3.25 G regarding a single submission for all firms in the group

...

Part 3

Amendments to SUP 16 Annexes

SUP 16 Ann 2G

...

Large Exposures (Form LE3)

Introduction

For all reporting dates after 31 December 2006, the Large Exposures Capital Base (LECB) or its equivalent will be calculated on a different basis. Please see the section below headed Large Exposures Capital Base (LECB).

...

Large Exposures Capital Base (LECB)

For reporting dates up to and including 31 December 2006, you ~~You~~ should calculate the capital base used as the basis for monitoring and controlling large exposures in the same way as that used for capital adequacy monitoring ie the sum of allowable Tier 1 and Tier 2 capital less any deductions. ... to identify exposures that should have been pre-notified to us.

For the first reporting date after 31 December 2006 for firms that are reporting on an unconsolidated or solo-consolidated basis (or the first two reporting dates in the case of consolidated reporting), firms should use the LECB that had been agreed with the FSA and was in force at 31 December 2006. Thereafter, instead of the LECB, firms should report, in its place, the figure of capital resources, calculated in accordance with BIPRU 10.5.2, and reported to the FSA as data element 22A of FSA009, for the reporting date preceding the current reporting date. In that way, the capital resources figure will be continually updated. In the case of reports on a consolidated basis, the capital resources figure will only change half yearly. References to LECB should be regarded as referring to this capital resources figure once firms are reporting on this basis.

For reporting dates up to and including 31 December 2006, where ~~Where~~ you have agreed holdings of tradeable securities subject to 'soft' limits with us, you may use an adjusted capital base incorporating Tier 3 capital to measure these exposures against. However, you should report this adjusted capital base in Part 8.

For the first reporting date after 31 December 2006 on a solo or unconsolidated basis (or first two reports in the case of a consolidated report), firms should use the adjusted capital base incorporating Tier 3 capital that was in force at 31 December 2006. Thereafter, instead of that adjusted capital base, firms should report, in its place, the figure of capital resources, calculated in accordance with BIPRU 10.5.3, and reported to the FSA as data element 22A of FSA009, for the reporting date preceding the current reporting date.

...

SUP 16 Ann 4G

...

Building society; quarterly statement QFS1

...

Section L: Exposure analysis: Large exposures – Group

...

1 Basis for reporting Large Exposures on Table L

...

(ii) For reports up to and including 31 December 2006, the measure of own funds to be used in the large exposure calculation is the Group (consolidated) amount of Capital Available at the quarter end as reported in table D, line item D4, column 4 (taking account of any exclusions from consolidation that may be required, as referred to in the Solvency P/G).

For the first reporting date after 31 December 2006, firms should use the Group (consolidated) amount of Capital Available at the quarter end as reported in table D, line item D4, column 4 (taking account of any exclusions from consolidation that may be required, as referred to in the Solvency P/G) of the QFS1 reported at the previous reporting date. Thereafter, firms should instead use the figure of capital resources for the group, calculated in accordance with BIPRU 10.5.2, and reported to the FSA as data element 24A of FSA009 for the reporting date preceding the current reporting date. References to own funds should be regarded as referring to this capital resources figure once firms are reporting on this basis.

...

SUP 16 Annex 5R

QUARTERLY FINANCIAL DETAILS

QFS5

...

4. LARGE EXPOSURES (ISD Firms only)

Provide details of all Large Exposures outstanding at the end of the period (73)

Counterparty	Value of Exposure	Percentage of Own Funds***	Nature of Item <i>(eg Accrued fees, billed fees, settlement balance etc)</i>
---------------------	--------------------------	---------------------------------------	--

* *Delete whichever is not applicable*

** *Consider by reference to Part IV Permission Statement*

*** For the first reporting date after 31 December 2006, BIPRU investment firms should use the own funds figure that was used on their 31 December 2006 report, or the last report prior to that date if their reporting date is different. Thereafter, instead of the own funds figure, firms should use the figure of capital resources, calculated in accordance with BIPRU 10.5.2R and reported to the FSA as data element 22A in FSA009 for the reporting date preceding the current reporting date.

SUP 16 Ann 11G

...

SUP 16 Ann 11G section 4

Guidance on the completion of LEM Forms for securities and futures firms which are ISD firms

I Summary of reporting requirements

(1) An exposure

...

A large exposure forms the basis for the completion of Form LEM, as required under CAD. With regard to the compliance of quarterly reporting of large exposures up to and including 31 December 2006 only, FSA, with prior authorisation, will allow firms to measure whether a large exposure has occurred based upon the firm's own funds rather than financial resources and own funds, on condition that the financial resources are higher than own funds.

For the first reporting date after 31 December 2006 for firms reporting on a solo basis (or the first two reporting dates in the case of a report on a consolidated basis), firms should use the own funds figure that was used on their 31 December 2006 report, or the last report prior to that date if their reporting cycle is different. Thereafter, instead of the own funds figure (or financial resources and own funds figures), firms should use the figure of capital resources, calculated in accordance with BIPRU 10.5.2, and reported to the FSA as data element 22A of FSA009 for the reporting date preceding the current reporting date. In that way, the capital resources figure will be continually updated. In the case of reports on a consolidated basis, the capital resources figure will only change half yearly. References to own funds, for large exposures purposes, should be regarded as referring to this capital resources figure once firms are reporting on this basis.

...

II The reporting form (LEM) – General, coverage and layout

General

...

Coverage and Layout of Forms LEM 1 and 2

Large exposures to individual counterparties and counterparty groups should be reported, in each category of counterparty, ranked in descending order using the “highest exposure during the reporting period”.

Details of own fund/financial resources as at the reporting date should be reported on the front cover of forms LEM 1 and LEM 2 up to and including 31 December 2006. For the first reporting date after 31 December 2006 in the case of a solo report, and the first two reporting dates after 31 December 2006 in the case of a consolidated report, the figures reported should be the figures calculated at the 31 December 2006 reporting date, or latest reporting date prior to that if the reporting cycle is different. Thereafter, the figure of own funds should be the figure of capital resources, calculated in accordance with BIPRU 10.5.2, and reported to the FSA as data element 22A of FSA009 for the reporting date preceding the current reporting date. The figure of financial resources should then be blank.

...

SUP 16 Annex 16R

Financial returns - UCITS Management Companies

UQFS 5

3. LARGE EXPOSURES (*UCITS Investment Firms only*)

Provide details of all Large Exposures outstanding at the end of the period (72)

Counterparty	Value of Exposure	Percentage of Own Funds***	Nature of Item (e.g. Accrued fees, billed fees, settlement balance etc)
--------------	-------------------	----------------------------	--

...

**Delete whichever is not applicable*

***Consider by reference to Part IV Permission Statement*

***For the first reporting date after 31 December 2006, BIPRU investment firms should use the own funds figure that was used on their 31 December 2006 report, or the last report prior to that date if their reporting date is different. Thereafter, instead of the own funds figure, firms should use the figure of capital resources calculated in accordance with BIPRU 10.5.2R and reported to the FSA as data element 22A in FSA009 for the reporting date preceding the current reporting date.

SUP16 Ann 18BG

Notes for completion of the RMAR

...

Section D5: reportable *Large Exposures (ISD personal investment firms)*

...

A *large exposure* exists where a *firm* is owed a debt by, or is otherwise exposed to another person, or to two or more affiliated *persons*, and that exposure equals or exceeds 10% of its own funds. Under *IPRU(INV)*, a *firm* is required to ensure that its *large exposures* do not exceed 25% of its own funds (or the aggregated of exposure to its holding company, or a subsidiary company or a group of subsidiaries of its holding company does not exceed 20% of own funds).

Up to and including 31 December 2006, firms may use the own funds figure reported under item 19 in Section D3 in the same period. At a firm's first reporting date after 31 December 2006, it should use the figure reported on the previous reporting date in item 19 in Section D3. Thereafter, it should use the figure of capital resources, calculated in accordance with *BIPRU* 10.5.2, and reported to the FSA as data element 22A of FSA009 for the reporting date preceding the current reporting date. References to own funds, for large exposures purposes, should be regarded as referring to this capital resources figure once firms are reporting on this basis.

Part 4

Draft new rules in SUP 16 Annex 24 R

All of the text in this section is new and is not underlined. Insert the following new Annex after SUP 16 Annex 23

FSA009

Key data

The firm completing this is subject to the capital rules for (tick one only):

	A
1 A UK bank or a building society	
2 A full scope BIPRU investment firm	
3 A BIPRU limited activity firm	
4 A BIPRU limited licence firm, including a UCITS investment firm	
5 If you are a full scope BIPRU investment firm, do you meet the conditions in BIPRU TP 12.1R?	
6 If you are a BIPRU limited activity or BIPRU limited licence firm, have you a waiver under BIPRU 6.1.2G?	

If you are a BIPRU investment firm, are you a:

7 BIPRU 730K firm	
8 BIPRU 125K firm (excluding UCITS investment firms)	
9 UCITS investment firm	
10 BIPRU 50K firm	
11 Do you have a waiver from consolidated supervision?	
12 Have you notified the FSA, at least one month in advance of the date of this report, that you intend to deduct illiquid assets?	

13 Basis of reporting	Unconsolidated	
	Solo-consolidated	
	Consolidated	

If consolidated, please complete data elements 14 and 15, otherwise go straight to data element 16.

14 For consolidated reporting, provide

A	B
Group reference	Group name

15 For consolidated reporting, provide details of all other FSA authorised firms included in this consolidated report.

A	B
FRN	Name

	A
	Yes/No
16 If unconsolidated or solo-consolidated, are you a member of a non-EEA sub-group? <i>If you answer yes, you are also required to report FSA028</i>	
17 What is the currency of the report (all figures in 000s)?	

	Yes/No
18 Have you adopted any of the new approaches to credit risk at the reporting date?	<input type="text"/>
19 Total tier one capital after deductions	<input type="text"/>
20 Total tier two capital after deductions	<input type="text"/>
21 Deductions from the totals of tier one and two	<input type="text"/>
22 Capital resources for large exposures	<input type="text"/>
23 Total tier three capital	<input type="text"/>
24 Deductions from total capital	<input type="text"/>
25 Total capital after deductions	<input type="text"/>
FSA009 continued	
26 Credit risk requirement under existing rules	<input type="text"/>
27 Market risk requirement under existing rules	<input type="text"/>
28 Other capital requirements under existing rules	<input type="text"/>
29 Total credit risk capital component	<input type="text"/>
30 Total operational risk capital requirement	<input type="text"/>
31 Reduction in operational risk capital requirement under BIPRU TP 12.8R	<input type="text"/>
32 Counterparty risk capital component	<input type="text"/>
33 Total market risk capital requirement	<input type="text"/>
34 Concentration risk capital component	<input type="text"/>
35 Fixed overheads requirement	<input type="text"/>
36 Capital resources requirement	<input type="text"/>
37 Base capital resources requirement	<input type="text"/>
38 Capital resources requirement arising from the operation of capital floors	<input type="text"/>
39 Surplus/Deficit of own funds	<input type="text"/>
40 Individual capital guidance - total capital resources	<input type="text"/>
41 Individual capital guidance - general purpose capital	<input type="text"/>
42 Surplus/(deficit) total capital over ICG	<input type="text"/>
43 Surplus/(deficit) general purpose capital over ICG	<input type="text"/>
Memorandum item (for UCITS investment firms only)	
44 Value of portfolio under management	<input type="text"/>

FSA028

Non-EEA sub-group

1 Is your non-EEA sub-group reporting requirement satisfied by your solo-consolidated FSA003/FSA009?

Yes/No

If the answer to 1A is 'Yes', you do not have to complete the rest of this data item.

2 Is your non-EEA sub-group reporting requirement satisfied by a UK consolidation group FSA003/FSA009?

Yes/No

3 If the answer to 2A is 'Yes', what is the reference number of the UK consolidation group?

If the answer to 2A was 'Yes' and you have completed 3A, you do not need to complete the rest of this data item.

4 What is the currency of this report?

Capital adequacy

5 Total tier one capital after deductions
6 Total tier two capital after deductions
7 Deductions from the totals of tier one and two
8 Capital resources for large exposures
9 Total tier three capital
10 Deductions from total capital
11 Total capital after deductions

A

12 Credit risk requirement under existing rules

13 Market risk requirement under existing rules

14	Other capital requirements under existing rules	
15	Total credit risk capital component	
16	Total operational risk capital requirement	
17	Reduction in operational risk capital requirement under BIPRU TP 12.8R	
18	Counterparty risk capital component	
19	Total market risk capital requirement	
20	Concentration risk capital component	
21	Fixed overheads requirement	
22	Capital requirement	
23	Capital resources requirement arising from the operation of capital floors	
24	Surplus/Deficit of own funds	

Large exposures

			A				
25	Capital resources						
	Exposure no	Counterparty name (or group name)	Exposures after risk mitigation techniques		CNCOM		
			Exempt exposures	Non-exempt exposures			
				of which non-trading book, non-exempt	of which trading book, non-exempt	non exempt % of capital resources	
26	A	B	C	D	E	F	G
	1						
	...						
	n						

Part 5

Draft new guidance in SUP 16 Annex 25 G

All of the text in this section is new and is not underlined. Insert the following new Annex after SUP 16 Annex 24R

FSA009 – Key data

This data item should be completed by all *BIPRU firms*. It will only be used for reporting dates from 1 January 2007.

During 2007, we are making no change to existing reporting forms and, because some of the underlying rules on capital resources and capital requirements change, we will need to collect more accurate information on this data item to monitor the position. Those parts of the existing reports relating to balance sheet and profit and loss items should be largely unaffected by these changes, hence the reason we will continue to use them. The reporting dates for this data item will be the same as your existing report for capital adequacy.

Valuation

For the general policy on valuation, please see the rules and guidance set out in *GENPRU* 1.3.

Currency

You should report in the same currency as in your existing supervisory reports to the FSA, in thousands.

Data elements

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

General

To assist firms and ourselves, please identify your firm's characteristics so that the correct capital monitoring can be undertaken.

1A Is the firm a UK bank or a building society?

This box should be ticked if the report is being completed by a *UK bank* or a *building society*, or a *UK consolidation group* that is subject to the capital rules at Stage A of *BIPRU* 8 Annex 2R.

2A Is the firm a full scope BIPRU investment firm?

This box should be ticked if the report is being completed by either a *full scope BIPRU investment firm*, or a *UK consolidation group* that is subject to the capital rules at Stage 2 of *BIPRU* 8 Annex 2R.

3A Is the firm a BIPRU limited activity firm?

This box should be ticked if the report is being completed by either a *BIPRU limited activity firm*, or a *UK consolidation group* that is subject to the capital rules at Stage 3 of *BIPRU* 8 Annex 2R.

4A Is the firm a BIPRU limited licence firm?

This box should be ticked if the report is being completed by either a *BIPRU limited licence firm*, or a *UK consolidation group* that is subject to the capital rules at Stage 4 of *BIPRU* 8 Annex 2R.

5A If you are a full scope BIPRU investment firm, do you meet the conditions of BIPRU TP 12.1R?

This is only relevant for a *full scope BIPRU investment firm* and it allows a reduction in the operational risk capital requirement.

6A If you are a BIPRU limited activity firm or a BIPRU limited licence firm, do you have a waiver as set out in BIPRU 6.1.2R?

This is only relevant for a *BIPRU limited activity firm* or a *BIPRU limited licence firm*. Only tick this box if you have a waiver as set out in *BIPRU* 6.1.2G that allows you to calculate an *operational risk capital requirement* rather than a *fixed overheads requirement*.

7A Are you a BIPRU 730K firm?

This is only relevant if you are a *BIPRU investment firm*. Tick only if you meet the conditions in *BIPRU* 1.1.22R.

8A Are you a BIPRU 125K firm (excluding UCITS investment firms)?

This is only relevant if you are a *BIPRU investment firm*. Tick only if you meet the conditions in *BIPRU* 1.1.19R, and *BIPRU* 1.1.21R.

9A Are you a UCITS investment firm?

This is only relevant if you are a *UCITS investment firm*.

10A Are you a BIPRU 50K firm?

This is only relevant if you are a *BIPRU investment firm*. Tick here if you meet the conditions set out in *BIPRU 1.1.20R*.

11A Do you have a waiver from consolidated supervision?

This is only relevant if you are a *BIPRU investment firm*. Tick only if your firm has a waiver from consolidated supervision.

12A Have you notified the FSA, at least one month in advance of the date of this report, that you intend to deduct illiquid assets?

This is only relevant if you are a *BIPRU investment firm*. See *GENPRU 2.2.41R*.

13A The basis of reporting

Firms should identify whether the report being submitted is on an unconsolidated, solo-consolidated or consolidated basis.

14A/B For consolidated reporting, provide details of the group.

This is only completed by firms that checked the 'consolidated' box in data element 13A.

This will be provided in the form of a drop-down showing both the Group Reference and associated Group Name.

15A/B For consolidated reporting provide details of all other FSA authorised firms included in the consolidated report

This is only completed by firms that checked the 'consolidated' box in data element 13A.

Firms should list here all the FSA reference numbers and names of those firms, authorised by the FSA, that are included within the consolidated report.

16A If no, are you a member of a non-EEA sub-group at the reporting date?

This is a new reporting obligation from 1 January 2007. It should be completed on each reporting date, unless you are a monthly reporter in which case it should be completed on a quarterly cycle.

Members of a *non-EEA sub-group* (see *BIPRU 8.2.4R* to *BIPRU 8.2.8R*) are required to provide an additional data item (FSA028) on each date that they confirm they are members of such a group.

17A What is the currency of the report.

Firms should identify the currency of the data item from the selection provided. The currency must be the same as that used on your existing regulatory reports to the FSA. Acceptable currencies are Sterling, Euro, US Dollar, Canadian Dollar, Swedish Kroner, Swiss Franc and Japanese Yen. Figures should be reported in 000s.

18A Have you adopted of any of the new credit risk approaches at the reporting date?

If the answer is no, firms should not put any entries in data elements 29A to 34A. If the answer is yes, firms should not put any entries in data elements 26A to 28A.

19A Total tier one capital after deductions

This figure is equivalent to Stage F in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

20A Total tier two capital after deductions

This figure is equivalent to stage K in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

21A Deductions from the totals of tier one and two

This figure is equivalent to stage M in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

22A Capital resources for large exposures

This is the total tier one plus tier two capital after deductions. It is equivalent to Stage N in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

23A Total tier three capital

This figure is equivalent to Stage Q in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

24A Deductions from total capital

This is equivalent to Stage S in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

25A Total capital after deductions

This figure is equivalent to Stage T in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 2R*, for a *building society*;

- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

26A Credit risk requirement under existing rules

This should only be completed by firms to the extent that they have not yet adopted the approaches to credit risk set out in *BIPRU 3* and *BIPRU 4*.

27A Market risk capital requirement under existing rules

This should only be completed by firms to the extent that they have not yet adopted the approaches to credit risk set out in *BIPRU 3* and *BIPRU 4*.

28A Other capital requirements under existing rules

This should only be completed by firms that have not yet adopted one of the approaches to credit risk set out in *BIPRU 3* and *BIPRU 4*.

Enter here any other capital requirements, other than credit or market risk, under existing rules, including any secondary requirements arising under *BIPRU TP 8.11 R*.

29A Total credit risk capital component

This will be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

30A Total operational risk capital requirement

This will be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

31A Reduction in operational risk capital requirement under BIPRU TP 12.8R

This is only relevant for a *full scope BIPRU investment firm* that satisfies the conditions set out in *BIPRU TP 12.1R*.

Firms should report here the amount by which the *ORCR* reported in 29A is reduced as a result of the calculation in *BIPRU TP 12.8R* (thus 30A less this data element will give the reduced *ORCR*).

32A Counterparty risk capital component

This will be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

33A Total market risk capital requirement

This will only be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

34A Concentration risk capital component

This will only be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

35A Fixed overheads requirement

See *GENPRU 2.1.40R* to *GENPRU 2.1.46G*.

36A Capital requirement

Report here your calculation of your capital requirement.

For firms that have not adopted the new approaches to credit risk yet, the figure may well differ from that reported in your other (existing) regulatory returns. Although this may be expected, firms should be able to explain how the differences from that have arisen.

37A Base capital resources requirement

See *GENPRU 2.1.29R*.

38A Capital resources requirement arising from the operation of capital floors

This will only be completed by firms that have adopted the *IRB approach* to credit risk or *AMA* for operational

risk. See *BIPRU* TP 2.

When reporting, the scaling factors set out in *BIPRU* TP 2.8R should have been applied.

39A Surplus/Deficit of own funds

This is data element 25A less data element 36A.

Although not reported here, firms that have adopted the *IRB approach* should also be monitoring data element 38A in relation to 25A.

40A Individual capital guidance – total capital resources

Enter the amount of total capital resources that the FSA considers the firm should hold in order to meet *GENPRU* 1.2.26R (adequate financial resources). This amount can be calculated from information provided in the most recent letter the firm has received from the *FSA* setting out Individual Capital Guidance (as described in *BIPRU* 2.2.12G). The amount should be calculated as at the same reporting date as all other information included in this data item. Where this data item is being used to report for a *UK consolidation group*, you should enter the total group capital resources indicated in the ICG letter which will typically be based on the group capital resources requirement (data element 35A) – see *BIPRU* 2.2.19G.

For the purposes of giving individual capital guidance, the FSA distinguishes between capital resources which can be used to meet all risks (general purpose capital, ie stage N in *GENPRU* 2 Annexes 2R to 6R, as appropriate) and capital resources which can only be used to meet certain risks, for instance trading book risks, (limited purpose capital). Total capital resources after deductions are as defined in *GENPRU* 2.2.12R and is stage T in *GENPRU* 2 Annexes 2R to 6R as appropriate. The amount of total capital resources should be shown in data element 24A. See *BIPRU* 2.2.16G.

This data element should be used where an ICG letter provides guidance on the amount of total capital or is silent on the nature of the capital which can be used to meet the obligation in *GENPRU* 1.2.26R.

If no ICG has been set, firms should enter 0 here.

41A Individual capital guidance – general purpose capital

Enter the amount of general purpose capital that the FSA considers the firm should hold in order to meet *GENPRU* 1.2.26R (adequate financial resources). The amount should be calculated on the same basis set out for data element 25A, but refers only to general purpose capital rather than to total capital. If the firm's ICG letter does not provide guidance on the amount of general capital (or limited purpose capital) that the firm should hold or no ICG has been set for the firm, it should enter 0 here.

42A Surplus/(deficit) total capital over ICG

This is the amount in data element 25A (total capital after deductions) less data element 40A. However, if no ICG has been set and data element 40A is 0, this should also be 0.

43A Surplus/(deficit) general purpose capital over ICG

This is the amounts in data element 22A less data element 41A. However, if no ICG has been set and data element 41A is 0, this should also be 0.

Memorandum item

44A Value of portfolio under management

This is only relevant for a *UCITS investment firm*.

Enter the value of the portfolio under management at the reporting date.

FSA009 – Key data validations

Internal validations

Data elements are referenced by row then column.

Validation number	Data element		
1	1A		If (2A+3A+4A)=yes, then no, else yes
2	2A		If (1A+3A+4A)=yes, then no, else yes
3	3A		If (1A+2A+4A)=yes, then no, else yes
4	4A		If (1A+2A+3A)=yes, then no, else yes
5	5A		If 2A = no, then no
6	6A		If (3A+4A) = no, then no
7	7A		If (1A+8A+9A+10A) = yes, then no
8	8A		If (1A+7A+9A+10A) = yes, then no
9	9A		If (1A+7A+8A+10A) = yes, then no
10	10A		If (1A+7A+8A+9A) = yes, then no
11	11A		If 1A = yes, then no
12	22A	=	19A + 20A - 21A
13	25A	=	22A + 23A - 24A
14	29A		If 18A = yes, then ≥ 0 , else 0
15	30A		If 18A = yes, then ≥ 0 , else 0
16	31A	\leq	30A
17	32A		If 18A = yes, then ≥ 0 , else 0
18	33A		If 18A = yes, then ≥ 0 , else 0
19	34A		If 18A = yes, then ≥ 0 , else 0
20	35A		If 1A = yes, then 0, else ≥ 0
21	38A	=	25A – 36A
22	42A		If 40A = 0, then 0, else 25A - 40A
23	43A		If 41A = 0, then 0, else 22A – 41A
24	44A		If 9A = Yes, then ≥ 0 , else 0

FSA028 – Non-EEA sub-groups

This data item should be completed if a *BIPRU* firm is a member of a *non-EEA sub-group*, as set out in *BIPRU* 8.

Firms should use the diagrams in *BIPRU* 8 Annex 3G, in conjunction with *BIPRU* 8.3, to help them understand in the first instance whether a *non-EEA sub-group* exists. If a *non-EEA sub-group* exists, and has been identified as existing on FSA001 (or FSA009), then this data item should be completed. However, where a firm concludes that the reporting requirement is fully met by another regulatory submission of FSA003/FSA009 (which will either be a solo-consolidated submission, or a *UK consolidation group* submission), it should be noted on this data item, which can then be submitted with no further information required.

Valuation

For the general policy on valuation, please see the rules and guidance set out in *GENPRU* 1.3.

Data elements

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

1A Is your non-EEA sub-group reporting requirement satisfied by your solo-consolidated FSA003/FSA009?

The diagrams in *BIPRU* 8 Annex 3G, in conjunction with *BIPRU* 8.3, should assist firms in identifying those circumstances when a *non-EEA sub-group* exists and when a solo-consolidated FSA003 or FSA009 will satisfy the reporting requirement. Firms should answer Yes or No. Firms answering Yes do not need complete the rest of the data elements.

2A Is your non-EEA sub-group reporting requirement satisfied by your UK consolidation group FSA003/FSA009?

The diagrams in *BIPRU* 8 Annex 3G, in conjunction with *BIPRU* 8.3, should assist firms in identifying those circumstances when a *UK consolidation group* exists and when a *UK consolidation group* FSA003 or FSA009 will satisfy the reporting requirement. Firms should answer Yes or No. Firms answering Yes should complete 3A, and then do not need to complete the rest of the data elements.

3A If the answer to 2A is Yes, what is the reference number of the UK consolidation group?

Firms should enter the reference number used for the submission of the UK consolidation group FSA003/FSA009.

4A What is the currency of the report?

Firms should identify the currency of the data item from the selection provided. Acceptable currencies are Sterling, Euro, US Dollar, Canadian Dollar, Swedish Kroner, Swiss Franc and Japanese Yen. Figures should be reported in 000s.

5A Total tier one capital after deductions

This figure is equivalent to Stage F in:

- *GENPRU* 2 Annex 2R, for a *UK bank*;
- *GENPRU* 2 Annex 3R, for a *building society*;
- *GENPRU* 2 Annex 4R, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU* 2 Annex 5R, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU* 2 Annex 6R, for a *BIPRU investment firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU* 8.6 and *BIPRU* 8.7.1R.

6A Total tier two capital after deductions

This figure is equivalent to stage K in:

- *GENPRU* 2 Annex 2R, for a *UK bank*;
- *GENPRU* 2 Annex 3R, for a *building society*;

- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

7A Deductions from the totals of tier one and two

This figure is equivalent to stage M in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

8A Capital resources for large exposures

This is equivalent to Stage N in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

9A Total tier three capital

This figure is equivalent to Stage Q in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

10A Deductions from total capital

This is equivalent to Stage S in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

11A Total capital after deductions

This figure is equivalent to Stage T in:

- *GENPRU 2 Annex 2R*, for a *UK bank*;
- *GENPRU 2 Annex 3R*, for a *building society*;
- *GENPRU 2 Annex 4R*, for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU investment firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

12A Credit risk requirement under existing rules

This data element is only relevant up to and including 31 December 2007. Thereafter, it must be zero.

This should only be completed by firms that have not yet adopted one of the approaches to credit risk set out in *BIPRU 3* and *BIPRU 4*.

13A Market risk capital requirement under existing rules

This data element is only relevant up to and including 31 December 2007. Thereafter, it must be zero.

This should only be completed by firms that have not yet adopted one of the approaches to credit risk set out in *BIPRU 3* and *BIPRU 4*.

14A Other capital requirements under existing rules

This data element is only relevant up to and including 31 December 2007. Thereafter, it must be zero.

Enter here any other capital requirements, other than credit or market risk, under existing rules including any secondary requirements arising under *BIPRU TP 8.11 R*.

15A Total credit risk capital component

During 2007, this will be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *GENPRU 2.1.39R* as modified if a firm has an IRB permission, as well as *BIPRU 8.7.6R* to *BIPRU 8.7.11R*.

16A Total operational risk capital requirement

During 2007, this will be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *BIPRU 6*, *BIPRU 8.7.14R* and *BIPRU 8.7.15R*.

17A Reduction in operational risk capital requirement under *BIPRU TP 12.8R*

This is only relevant for a *full scope BIPRU investment firm* that satisfies the conditions set out in *BIPRU TP 12.1R*.

Firms should report here the amount by which the *ORCR* reported in data element 16A is reduced as a result of the calculation in *BIPRU TP 12.8R* (thus data element 16A less this data element will give the reduced *ORCR*). So 17A will be less than 16A.

18A Counterparty risk capital component

During 2007, this will only be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *BIPRU 14.1.3R*, as well as *BIPRU 8.7.6R* to *BIPRU 8.7.11R*.

19A Total market risk capital requirement

During 2007, this will only be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *BIPRU 7*, *GENPRU 2.2.46R*, *BIPRU 8.7.12R* and *BIPRU 8.7.13R*.

20A Concentration risk capital component

During 2007, this will only be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *BIPRU* 10.5.14R to *BIPRU* 10.5.21G, as well as *BIPRU* 8.7.6R and *BIPRU* 8.9, for details of how this is calculated.

21A Fixed overheads requirement

During 2007, this will only be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *GENPRU* 2.1.40R to *GENPRU* 2.1.46G.

22A Capital requirements

Report here your calculation of your capital requirement.

For firms that have not adopted the new approaches to credit risk yet, the figure may well differ from that reported in your existing regulatory returns under *SUP* 16.7. Although this may be expected, firms should be able to explain how the differences from that have arisen.

23A Capital resources requirement arising from the operation of capital floors

This will only be completed by firms that have adopted the *IRB approach* to credit risk or *AMA* for operational risk. See *BIPRU* TP2.

When reporting, the scaling factors set out in *BIPRU* TP2.8R should have been applied.

24A Surplus/Deficit of own funds

This is data element 11A less data element 22A.

Although not reported here, firms that have adopted the *IRB approach* should also be monitoring data element 23A in relation to item 11A.

Large exposures

25A Capital resources

Enter here the figure previously reported for this *non-EEA sub-group* in data element 8A on the last submission. If it is the first occasion on which this sub-group has reported, use the figure in 8A above.

26 Counterparty details

Enter each counterparty name or group name for each large exposure at the reporting date, together with the appropriate details of the exposure.

26A Exposure number

Please number each *large exposure* consecutively.

26B Counterparty name

List here the names of the *counterparties*, *groups of connected clients*, and *connected counterparties* (as set out in *BIPRU* 10.3) that represent *large exposures*.

26C Amount of the exposure that is exempt

The amount of the exposure, after credit risk mitigation techniques, that is exempt under *BIPRU* 10.6

26D Amount of the exposure that is not exempt and is in the non-trading book

The amount of the exposure, after credit risk mitigation techniques, that is not exempt and is in the non-trading book.

26E Amount of the exposure that is not exempt and is in the trading book

The amount of the exposure, after credit risk mitigation techniques, that is not exempt and is in the trading book.

26F Non-exempt % of capital resources under *BIPRU* 10.5.2R

This is columns D plus E as a percentage of the capital resources under *BIPRU* 10.5.2R reported in data element 25A. It should be entered to two decimal places, omitting the % sign.

26G CNCOM

The amount of CNCOM calculated as set out in *BIPRU* 10.5.14R to 10.5.21G.

FSA028 – Non-EEA sub-groups validations

Internal validations

Data elements are referenced by row then column.

Validation number	Data element		
1	8A	=	5A + 6A – 7A
2	11A	=	8A + 9A – 10A
3	17A	≤	16A
4	24A	=	11A-22A

Part 6

Further amendments to SUP 16.7

16.7.17	R	Table Financial reports from a <i>building society</i> (see SUP 16.7.16R)	Form	Frequency	Due date
		Content of report	(Note 1)		
		Adequate information on group balance sheet, analysed between society and subsidiary undertakings	MFS1— (Table A)	Monthly	9 <i>business days</i> after month end (largest societies) (Note 2)
		Adequate information on society's balance sheet and primary business transactions	MFS1— (Tables B to G)	Monthly	12 <i>business days</i> after month end (other societies) 7 <i>business days</i> after month end (largest societies) (Note 2)
		Sectoral information of the society's balance sheet	MFS1 Supp (Note 3)	Monthly	10 <i>business days</i> after month end (other societies) 7 <i>business days</i> after month end
		Adequate information on balance sheets and primary business transactions of society's subsidiary undertakings accepting deposits and/ or lending	MFS2	Monthly	7 <i>business days</i> after month end (largest societies) (Note 2)
		...			10 <i>business days</i> after month end (other societies)
		Sectoral and other breakdown of assets and liabilities, gilt maturities, and derivative contracts	QFS2 (note 3)	Quarterly	11 <i>business days</i> after calendar quarter end
		...			
		Note 2 = Largest societies are defined as those societies who were the 40 largest <i>building societies</i> (in terms of total assets) as at 31 December 1991.			
		Note 3 = Only required from the largest tier (see Note 2).			
		...			