

**GENERAL PRUDENTIAL SOURCEBOOK (NOTIFICATION OF REDEMPTION  
OR REPAYMENT) INSTRUMENT 2009**

**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 150(2) (Actions for damages);
  - (3) section 156 (General supplementary powers); and
  - (4) section 157 (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 6 March 2009.

**Amendments to the Handbook**

- D. The General Prudential sourcebook (GENPRU) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the General Prudential Sourcebook (Notification of Redemption or Repayment) Instrument 2009.

By order of the Board  
26 February 2009

## Annex

## Amendments to the General Prudential sourcebook (GENPRU)

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

## 2.2 Capital resources

...

2.2.74 R A *firm* must not redeem any *tier one instrument* that it has included in its *tier one capital resources* unless it has notified the *FSA* of its intention at least one month before it ~~does~~ becomes committed to do so. When giving notice, the *firm* must provide details of its position after such redemption in order to show how it will:

- (1) meet its *capital resources requirement*; and
- (2) have sufficient financial resources to meet the *overall financial adequacy rule*.

...

2.2.174 R In relation to a *tier two instrument*, a *firm* must notify the *FSA*:

- (1) in the case of an *insurer*, six *Months*; and
- (2) in the case of a *BIPRU firm*, one *Month*;

before ~~the date of~~ it becomes committed to the proposed repayment (unless that *firm* intends to repay an instrument on its final maturity date). When giving notice, the *firm* must provide ~~providing~~ details of its position after such repayment in order to show how it will:

- (3) ~~how it will~~ meet its *capital resources requirement* after such repayment; and
- (4) have sufficient financial resources to meet the *overall financial adequacy rule*.

...

## Schedule 2 G Notification and reporting requirements

...

Handbook reference	Matter to be notified	Contents of notification	Trigger events	Time allowed
...				
<i>GENPRU</i> 2.2.74R	Intention to redeem <i>tier one instrument</i> included in <i>tier one capital resources</i>	Fact of intention <u>and details of the <i>firm's</i> position after such redemption in order to show how it will meet the <i>capital resources requirement</i> and how it will have sufficient financial resources to meet the <i>overall financial adequacy rule</i></u>	Intention to redeem	At least one month prior to <u>intended redemption becoming committed to redeem</u>
...				
<i>GENPRU</i> 2.2.174R	Intention to repay (other than on contractual repayment date) <i>tier two instrument</i>	Fact of intention and details of <u>the <i>firm's</i> position after such repayment in order to show how the <i>firm</i> it will meet the <i>capital resources requirement</i></u>	Intention to repay	<del>Six months</del> <u>Months (in the case of an <i>insurer</i>) or one <del>month</del> <i>Month</i> (in the case of a <i>BIPRU</i> firm)</u> prior to <u>becoming committed to repayment</u>

		<u>and how it will have sufficient financial resources to meet the overall financial adequacy rule after such repayment</u>		
...				