

PRUDENTIAL SOURCEBOOK FOR BANKS, BUILDING SOCIETIES AND INVESTMENT FIRMS (LIQUIDITY) (AMENDMENT) INSTRUMENT 2010

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); and
 - (3) section 156 (General supplementary powers).
- 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 August 2010.

Amendments to the Handbook

- D. The Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Prudential Sourcebook for Banks, Building Societies and Investment Firms (Liquidity) (Amendments) Instrument 2010.

By order of the Board
22 July 2010

Annex

Amendments to the Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU)

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

Simplified ILAS conditions

12.6.6 R The first condition is that:

- (1) no less than 75% of the *firm's* total liabilities are accounted for by retail *deposits* and:
 - (a) the *firm's* total assets do not exceed £250 million; or
 - (b) the *firm's* total assets do not exceed £1 billion and no less than 70% of those assets are accounted for by:
 - (i) assets of the kind that fall into *BIPRU 12.7.2R* and which the *firm* counts towards its *simplified buffer requirement*; and
 - (ii) retail loans; or
 - (c) no less than 70% of ~~its~~ the *firm's* total assets are accounted for by retail loans; or
 - (d) no less than 70% of the *firm's* total assets are accounted for by:
 - (i) *money-market instruments* with a residual contractual maturity of three *months* or less; or
 - (ii) *sight deposits* held with a *credit institution*; or
 - (iii) *term deposits* with a residual contractual maturity of three *months* or less held with a *credit institution*; or
- (2) ~~no less than 75% of the *firm's* total liabilities are accounted for by retail *deposits* and no less than 70% of the *firm's* total assets are accounted for by;~~
 - (a) ~~*money-market instruments* with a residual contractual maturity of three *months* or less; or~~
 - (b) ~~*sight deposits* held with a *credit institution*; or~~
 - (c) ~~*term deposits* with a residual contractual maturity of three *months* or less held with a *credit institution*; or~~

no less than 80% of the *firm's* total liabilities are accounted for by liabilities owed to its *parent undertaking* and the amount of the *firm's* total assets does not exceed £1 billion.

- (3) ~~no less than 80% of the *firm's* total liabilities are accounted for by liabilities owed to its *parent undertaking* and the amount of the *firm's* total assets does not exceed £1 billion. [deleted]~~

12.6.6A R For the purpose of BIPRU 12.6.6R, a *firm* must calculate:

- (1) its total assets by reference to its most recent FSA001 *data item*;
and
- (2) its retail loans as the total of its lending to the retail sector recorded in cell 11A in its most recent FSA015 *data item*.

12.6.7 R In this section, a “*retail deposit*” is a *deposit* accepted from a *consumer*.

- (1) ~~a “*retail deposit*” is a *deposit* accepted from a *consumer*; and [deleted]~~
- (2) ~~a “*retail loan*” is a loan to a *consumer*. [deleted]~~