

**INTEGRATED REGULATORY REPORTING (AMENDMENT NO 8)  
INSTRUMENT 2010**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in or under 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. This instrument comes into force on 1 October 2010

**Amendments to the Handbook**

- D. The Supervision manual (SUP) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the Integrated Regulatory Reporting (Amendment No 8) Instrument 2010.

By order of the Board  
23 September 2010

**Annex**

**Amendments to the Supervision manual (SUP)**

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

**16 Annex 24R Data items for SUP 16.12**

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**FSA001  
Balance Sheet**

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		A	B
		Trading book	Non-trading book
...			
6	Credit items in the course of collection from banks		
7	<del>Treasury bills and other eligible bills</del> <u>Securities eligible for use in central bank operations</u>		
8	Deposits with, and loans to, credit institutions		

...

**FSA002  
Income statement**

...

26	Interest paid	
27	<i>of which</i> on bank and building society deposits	
28	on retail deposits	
29	on corporate deposits	
30	on intra-group deposits	
31	on other <del>deposits</del> <u>items</u>	
32	Fee and commission expense	

...

**FSA005  
Market risk**

Note: In this table numerical references correspond with those shown on the online submission form and are not presented here in strict numerical order.

Specific equity risk by risk bucket		USD	GBP	EUR	CHF	YEN	Other	Total
22	Qualifying equities							
23	Qualifying equity indices							
24	Other equities, equity indices or equity baskets							
63	<u>Convertibles adjustment</u>							
25	PRR							

...

**FSA019**  
**Pillar 2 information**

Note: In this table numerical references correspond with those shown on the online submission form and are not presented here in strict numerical order.

			<b>B</b>
			yes/no
1		Does GENPRU 1.2 apply to your firm?	

If so, please answer all the following questions:

			000s
2		<del>What is the internal capital amount that</del> How much capital do you consider adequate for the nature, scale and complexity of your firm's activities in line with its Internal Capital Adequacy Assessment Process (ICAAP)?	

3		What is the actual amount of <del>internal capital</del> capital resource your firm holds at the accounting reference date?	

			yes/no
4		Have you documented your ICAAP?	
			dd/mm/yy

...

		In your ICAAP, have you considered the impact of an economic downturn on:	
10		· your firm's financial position?	
11		· your business plans?	

Is the firm exposed to the risks listed below? And if so, what amount of ~~internal capital~~ capital resource have you allocated to each of them?

yes/no	000s
A	B

12	· market risk		
13	· credit risk		
14	· operational risk		
15	· liquidity risk		
16	· securitisation risk		
17	· insurance risk		
18	· pension obligation risk		
19	· concentration risk		
20	· residual risk		
21	· business risk		
22	· interest rate risk		
23	· other ( <u>please specify</u> )		
...			
40	<u>Have you calculated the cost of an orderly wind down of the firm's business?</u>		
41	<u>What length of time have you calculated it will take to orderly wind down?</u>		
42	<u>What is the gross cost to your firm of a wind down?</u>		
43	<u>What is the net cost to your firm of a wind down?</u>		
24	Does your firm have any professional indemnity insurance cover? If so,		
25	What is the limit of the indemnity in the aggregate?		
26	<del>What is the greatest deductible for any single claim?</del> <u>What is the largest single claim that can be made on the insurance cover?</u>		
44	<u>What is the policy excess amount for any single claim?</u>		
			rating
27	What is the credit rating of the lead underwriter?		
			yes/no
28	In your firm's ICAAP, do you take account of the results of the stress tests <del>set out in BIPRU 4.3.39R and BIPRU 4.3.40R?</del>		
29	Does your firm deduct illiquid assets as set out in GENPRU 2.2.17R and 2.2.19R?		
...			000s
37	Report the result of a 200 basis point shock to interest rates on your firm's economic value.		
			yes/no
38	Does the result of the above stress test exceed 20% of your <del>economic value</del> <u>capital resources</u> ?		

- 39 Would the valuation adjustments required under GENPRU 1.3.35G enable you to sell or hedge out your firm's positions within a short period without incurring material losses under normal market conditions?

## 16 Annex 25G      Guidance notes for data items in SUP 16 Annex 24G

### FSA001 – Balance Sheet

This data item provides the FSA with a snapshot of the assets and liabilities of a firm, and details of items which although not on the balance sheet, nevertheless will have a potential impact on the financial health of the firm if they were to crystallise.

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#### **7      ~~Treasury bills and other eligible bills held~~ Securities eligible for use in central bank operations**

Enter here any holdings of treasury bills or other ~~bills eligible for rediscount~~ securities eligible for use at central banks.

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#### **10      Debt securities**

~~Report here only long positions in debt securities. All long positions in debt securities, with the exception of gilts, should be reported in data element 10.~~ If there is an overall short position, it should be reported in data element 30A.

Gilts should be reported in data element 7.

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### FSA002 – Income statement

This data item provides the FSA with information on the main sources of income and expenditure for a firm. It should be completed on a cumulative basis for the firm's current financial year up to the reporting date.

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#### **31B      Of which: On other ~~deposits~~ items**

This will only be relevant for *BIPRU investment firms* if they have issued bonds, interest rate swaps for hedging purposes or commercial paper.

Deposit takers will include all interest paid on all other balances not reported in 27B to 30B. It includes interest payments on bonds and subordinated loans, certificates of deposits and commercial paper issued.

Include here any losses on interest rate swaps used for hedging purposes.

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### **FSA005 – Market risk**

This data item provides the FSA with information on the market risk capital requirement under *GENPRU 2.1.40R*. The data item is intended to reflect the underlying prudential requirements contained in *GENPRU* and *BIPRU* and allows monitoring against the requirements set out there and also those individual requirements placed on firms. We have provided references to the underlying rules to assist in its completion.

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### **24 Other equities**

Enter the valuation of all other equities, equity indices or equities baskets.

[*CEBS' MKR SA EQU item 2.2, column 6*]

### **65 Convertibles adjustment**

Enter the PRR adjustment here. This adjustment will be made to ensure observance of *BIPRU 7.3.13R*

### **25 PRR for specific equity risk**

Enter the total PRR calculated in accordance with *BIPRU 7.3.33R* and *BIPRU 7.3.34R*.

[*CEBS' MKR SA EQU item 2, column 7*]

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### **FSA008 – Large exposures**

This data item captures information on *large exposures*, connected exposures within that, exposures by integrated groups, *trading book concentration risk excesses*, and also significant transactions with mixed activity holding companies and their subsidiaries.

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### **3A Are you a member of a UK integrated group**

This is only relevant for unconsolidated or solo-consolidated reporters.

The answer is either Yes or No.

If the answer to ~~7A~~ 3A is Yes, one of the members of the *UK integrated group* is also required to submit FSA018 on behalf of all members of the *UK integrated group* for the reporting date.

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## FSA019 – Pillar 2 questionnaire

This data, supplemented by other relevant data, will be used to inform the intensity of our risk assessment of a firm, or its group, under the Supervisory Review and Evaluation Process (SREP). It will allow us to reduce supervisory time by helping us to identify those firms with a risk profile for which we will carry out additional individual or thematic work.

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**2B** ~~What is the internal capital amount that~~ How much capital do you consider adequate for the nature, scale and complexity of your firm's activities in line with its Internal Capital Adequacy Assessment Process (ICAAP)?

See *GENPRU* 1.2.26R. Enter the figure in 000s.

**3B** ~~What is the actual amount of internal capital~~ capital resource that your firm holds at the accounting reference date?

See *GENPRU* 1.2.26R. Enter the figure in 000s.

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**12B to 23B** ~~If so, what is the amount of internal capital~~ capital resource you have allocated to each of them?

For each answer in Column A that is 'Yes', enter the gross amount excluding any management action offsets in column B in 000s.

*BIPRU limited activity firms* and *BIPRU limited licence firms* should include in 23B their assessment of the capital required to cover the fixed overheads requirement. A *firm* may assess that capital to be allocated to cover the fixed overheads requirement is more than one quarter of their annual fixed overheads.

**40B** Have you calculated the cost of an orderly wind down of the firm's business?

The answer is either 'Yes' or 'No'. Examples of factors to consider include costs of transferring clients and any client assets, liquidating/closing any positions etc.

**41B** What length of time have you calculated it will take to orderly wind down?

If the answer to data element 40B is 'Yes', enter the number of months here in digits. Examples of factors to consider include the time it takes to transfer clients and any client assets, liquidating/closing any positions etc.

**42B What is the gross cost to your firm of a wind down?**

If the answer to data element 40B is 'Yes', enter the amount here in 000s. This is the total cost of winding down excluding any offsets from revenue/income gained during the wind down period.

**43B What is the net cost to your firm of a wind down?**

If the answer to data element 40B is 'Yes', enter the amount here in 000s. This is the total cost of winding down including any offsets from revenue/income gained during the wind down period.

**24B Does your firm have any professional indemnity insurance?**

The answer is either 'Yes' or 'No'.

**25B If so, what is the limit of the indemnity in the aggregate?**

If the answer to data element 24B is 'Yes', enter the amount here in 000s.

**26B What is the greatest deductible single claim? What is the largest single claim that can be made on the insurance cover?**

If the answer to data element 24B is 'Yes', enter the amount here in 000s.

**44B What is the policy excess amount for any single claim?**

If the answer to data element 24B is 'Yes', enter the amount here in 000s.

**27B What is the credit rating of the lead underwriter?**

Only answer if you answered 'Yes' to data element 24B. This is a text field to accept any value.

**28B In your firm's ICAAP, do you take account of the results of stress tests?**

The answer is either 'Yes' or 'No'.

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**37B Report the result of a 200 basis point shock to interest rate on your firm's economic value**

See *BIPRU* 2.3.7R(2). Enter the figure in 000s.

**38B Does the result of the above stress test exceed 20% of your economic value capital resources?**

See *BIPRU* 2.3.7R (3). The answer to this is either 'Yes' or 'No'.