

**PRA RULEBOOK: CRR FIRMS: REMUNERATION REPORTING REQUIREMENTS 2014**

**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) 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 137G (The PRA’s general rules);
  - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

**Pre-conditions to making**

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

**PRA Rulebook: CRR Firms: Remuneration Reporting Requirements 2014**

- D. The PRA makes the rules in Annex A to this instrument.

**Deletion**

- E. The following parts of the PRA Handbook are deleted:

SUP 16.17:	Remuneration reporting
SUP 16 Annex 33A:	Remuneration Benchmarking Information Report
SUP 16 Annex 33B:	Guidance note for data items in SUP 16 Annex 33AR
SUP 16 Annex 34A:	High Earners Report
SUP 16 Annex 34B:	Guidance note for data items in SUP 16 Annex34AR

**Commencement**

- F. This instrument comes into force on 7 November 2014.

**Citation**

- G. This instrument may be cited as the PRA Rulebook: CRR Firms: Remuneration Reporting Requirements Instrument 2014.

**By order of the Board of the Prudential Regulation Authority**

3 November 2014

Annex A

# REMUNERATION REPORTING REQUIREMENTS

---

**Chapter content**

1. APPLICATION AND DEFINITIONS
2. REMUNERATION BENCHMARKING REPORTING REQUIREMENT
3. HIGH EARNERS REPORTING REQUIREMENT

**Links:**

[to be completed as per Links Record Sheet]

## 1 APPLICATION AND DEFINITIONS

---

1.1 Unless otherwise stated, this Part applies to:

- (1) a *CRR firm* which:
  - (a) is a *CRR firm responsible for consolidation*; or
  - (b) is not, and does not have, an *EEA parent institution* or an *EEA parent financial holding company*; and
- (2) a *third country CRR firm* in relation to its activities carried on from an establishment in the *UK*.

1.2 In this Part, the following definitions shall apply:

*accounting reference date*

means

- (1) (in relation to a *body corporate* incorporated in the *UK* under the Companies Acts) the accounting reference date of that *body corporate* determined in accordance with section 391 of the Companies Act 2006; or
- (2) (in relation to any other body) the last day of its financial year.

*consolidation group entity*

means an *institution* or *financial institution* which is, in relation to a *CRR firm responsible for consolidation*:

- (1) the *CRR firm responsible for consolidation*;
- (2) a *subsidiary* of the *CRR firm responsible for consolidation*; or
- (3) a *subsidiary* of the *EEA parent financial holding company* or *EEA parent mixed financial holding company* by which the *CRR firm responsible for consolidation* is controlled.

*CRR firm responsible for consolidation*

means a *CRR firm* which is either:

- (1) an *EEA parent institution*; or
- (2) controlled by an *EEA parent financial holding company* or by an *EEA parent mixed financial holding company* and to which supervision on a consolidated basis applies in accordance with Article 111 of *CRD*.

*high earner*

means an *employee* (of any *consolidation group entity*) whose total annual *remuneration* is €1 million or more per year or its equivalent in another currency determined by reference to the conversion rate applicable to the corresponding *High Earners Report* under this Part.

*High Earners Report*

means the report by which a *firm* provides to the *PRA* the information required in Chapter 3.

*material risk taker*

means a member of *Remuneration Code Staff*, as described in SYSC 19A.3.4R.

*Remuneration Benchmarking Information Report*

means the report by which a *firm* provides to the *PRA* the information required in Chapter 2.

*total assets*

means:

- (1) in relation to a *CRR firm* or an *EEA Bank*, its total assets as set out in its balance sheet on the relevant *accounting reference date*; and
- (2) in relation to a *third country CRR firm*, the total assets of the *third country CRR firm* as set out in its balance sheet on the relevant *accounting reference date* that cover the activities of the branch operation in the *UK*.

- 1.3 Unless otherwise defined, any italicised expression used in this Part and in the *CRD* or *CRR* has the same meaning as in the *CRD* or *CRR*.

## 2 REMUNERATION BENCHMARKING REPORTING REQUIREMENT

---

- 2.1 This chapter applies to a *firm* to which this Part applies, which had *total assets* equal to or greater than £50 billion on an unconsolidated basis on the *accounting reference date* immediately prior to the *firm's* last complete financial year.
- 2.2 A *firm* must submit a *Remuneration Benchmarking Information Report* to the *PRA* annually.
- 2.3 The *firm* must provide to the *PRA*, by way of its *Remuneration Benchmarking Information Report*, the information disclosed in accordance with the criteria for disclosure established in points (g), (h) and (i) of Article 450(1) of the *CRR*.
- [Note: Art. 75(1) of the *CRD*]**
- 2.4 The *firm* must submit the *Remuneration Benchmarking Information Report* to the *PRA* within four months of the *firm's* *accounting reference date*.
- 2.5 A *firm* that is not, and does not have, an *EEA parent institution*, an *EEA parent financial holding company* or an *EEA parent mixed financial holding company* must complete that report on an unconsolidated basis in respect of *remuneration* awarded to *employees* of the *firm* in the last completed financial year.
- 2.6 A *firm* that is a *CRR firm responsible for consolidation* must complete that report on a consolidated basis in respect of *remuneration* awarded to all *employees* of all *consolidation group entities* in the last completed financial year.

- 2.7 The *firm* must ensure that the information in the *Remuneration Benchmarking Information Report* is denominated in euro, determined by reference to the [exchange rate used by the European Commission for financial programming and the budget for December of the reported year](#).

**[Note: EBA/GL/2014/08]**

### 3 HIGH EARNERS REPORTING REQUIREMENT

---

- 3.1 A *firm* must submit a *High Earners Report* to the *PRA* annually.
- 3.2 The *firm* must submit that report to the *PRA* within four months of the end of the *firm's* *accounting reference date*.
- 3.3 A *firm* that is not, and does not have, an *EEA parent institution*, an *EEA parent financial holding company* or an *EEA parent mixed financial holding company* must complete that report on an unconsolidated basis in respect of *remuneration* awarded in the last completed financial year to all *high earners* of the *firm* who mainly undertook their professional activities within the *EEA*.
- 3.4 A *firm* that is a *CRR firm responsible for consolidation* must complete that report on a consolidated basis in respect of *remuneration* awarded in the last completed financial year to all *high earners* who mainly undertook their professional activities within the *EEA* at:
- (1) the *EEA parent institution*, *EEA parent financial holding company* or the *EEA parent mixed financial holding company* of the *UK consolidation group*;
  - (2) each *consolidation group entity* that has its registered office (or if it has no registered office, its head office) in an *EEA State*; and
  - (3) each *branch* of any other *consolidation group entity* that is established or operating in an *EEA State*.
- 3.5 The *firm's High Earners Report* must report, in pay brackets of €1m, the number of *high earners*, including their job responsibilities, the business area involved and the main elements of salary, bonus, long-term award and pension contribution. The number of *high earners* must be reported as the number of natural persons, independent of the number of working hours on which their contract is based.

**[Note: Art. 75(3) of the CRD]**

- 3.6 The *firm* must ensure that the information in the *High Earners Report* is denominated in euro, determined by reference to the [exchange rate used by the European Commission for financial programming and the budget for December of the reported year](#).

**[Note: EBA/GL/2014/07]**