

**PRA RULEBOOK: CRR FIRMS: DESIGNATION (CONSOLIDATION) INSTRUMENT
2020**

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); and
- (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 instruments) 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: Designation (Consolidation) Instrument 2020

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

Commencement

E. This instrument comes into force on 28 December 2020.

Citation

F. This instrument may be cited as the PRA Rulebook: CRR Firms: Designation (Consolidation) Instrument 2020.

By order of the Prudential Regulation Committee

28 December 2020

Annex
Designation Part

In this Annex, the text is all new and is not underlined.

1 APPLICATION AND DEFINITIONS

1.1 This Part applies to a *CRR firm* controlled by a *parent financial holding company in a Member State* or a *parent mixed financial holding company in a Member State* that would be under an obligation to comply with *CRR* requirements on a *consolidated basis* if Article 11(2) *CRR* was in force as it had effect in the *UK* on 27 December 2020.

1.2 In this Part, the following definitions shall apply:

parent financial holding company in a Member State

has the meaning set out at point (30) of Article 4(1) *CRR*.

parent mixed financial holding company in a Member State

has the meaning set out at point (31) of Article 4(1) *CRR*.

2 CONSOLIDATION REQUIREMENTS

2.1 Subject to 2.2, a *firm* must comply with all *CRR* consolidation requirements with which its *parent financial holding company in a Member State* or *parent mixed financial holding company in a Member State* would be required to comply if it was approved or designated under Part 12B FSMA for the purpose of ensuring that *CRR* requirements are applied on a *consolidated basis*.

2.2 A *firm* is not required to comply with 2.1 if the *PRA* has approved or designated under Part 12B FSMA another undertaking within the *firm's consolidation group* for the purpose of ensuring that *CRR* requirements are applied on a *consolidated basis*.