PRA RULEBOOK: GLOSSARY AMENDMENT INSTRUMENT 2026

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); and
(3) section 192XA (Rules applying to holding companies).

B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

PRA Rulebook: Glossary Amendment Instrument 2026

C. The PRA makes the rules in the following Annex to this instrument.

Commencement

D. This instrument comes into force on 1 January 2027.

Citation

E. This instrument may be cited as the PRA Rulebook: Glossary Amendment Instrument 2026.

By order of the Prudential Regulation Committee

21 July 2026

Annex

Amendments to the Glossary Part

In this Annex new text is underlined and deleted text is struck through.

…

netting set

for the purposes of the Counterparty Credit Risk (CRR) Part and the Credit Valuation Adjustment Risk ~~(CRR)~~ Part, means a group of transactions between an *institution* and a single counterparty that is subject to a legally enforceable bilateral netting arrangement that meets the requirements in Section 7 of Chapter 3 of the Counterparty Credit Risk (CRR) Part and the Credit Risk Mitigation (CRR) Part.

Each transaction that is not subject to a legally enforceable bilateral netting arrangement which meets the requirements under Section 7 of Chapter 3 of the Counterparty Credit Risk (CRR) Part shall be treated as its own netting set for the purposes of Chapter 3 of the Counterparty Credit Risk (CRR) Part.

Under the Internal Model Method set out in Section 6 of Chapter 3 of the Counterparty Credit Risk (CRR) Part, all netting sets with a single counterparty may be treated as a single netting set if negative simulated market values of the individual netting sets are set to zero in the estimation of expected exposure.

[Note: This rule corresponds to Article 272(4) of the *CRR* as it applied immediately before its revocation by the *Treasury*]

…