

PRA RULEBOOK: ADMINISTRATION INSTRUMENT (No. 3) 2017**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) paragraph 31 of Schedule 1ZB (Fees).
- 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.

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

Part	Annex
Conduct Rules	A
Insurance – Senior Insurance Management Functions	B
Regulatory Reporting	C
Regulatory Reporting	D
Fees	E

Commencement

- E. Annexes A, B, and E come into force on 7 November 2017.
Annex C comes into force on 1 January 2019.
Annex D comes into force on 1 January 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: Administration Instrument (No. 3) 2017.

By order of the Prudential Regulation Committee

31 October 2017

Annex A

Amendments to the Conduct Rules Part

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

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1 APPLICATIONS AND DEFINITIONS

1.2 In this Part, the following definitions shall apply:

director

means, in relation to a *firm*, a *person* who is a member of the board of directors of the *firm* or, if there is no such board, the equivalent body responsible for the management of the *firm*;

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Annex B

Amendments to the Insurance – Senior Insurance Management Functions Part

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

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6A HEAD OF SMALL RUN-OFF FIRM

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6A.2 The *Head of small run-off firm function* (SIMF-26) is the function of:

(1) having responsibility for the conduct of the *regulated activities*; or

(2) chairing the *governing body*

of a *small run-off firm*.

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Annex C

Amendments to the Regulatory Reporting Part

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

1 APPLICATIONS AND DEFINITIONS

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initial Capital+ reference date

means:

- (1) In relation to a data item which a ring-fenced body must submit on a sub-consolidated basis in accordance with 20.22A, the first of the firm's Capital+ reference dates after the firm became subject to the Ring-Fenced Bodies Part of ~~the PRA Handbook~~; or

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Annex D

Amendments to the Regulatory Reporting Part

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7 REGULATED ACTIVITY GROUP 1

7.1

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(27) *Firms* in a *UK consolidation group* are exempt from individually reporting this *data item* where they satisfy each of the following conditions:

(a) during the two most recent successive reporting periods set out in 7.2, one *firm* in the *UK consolidation group* ("Firm A") contributed more than 95% of the consolidated *total assets* in the *UK consolidation group* (where the contribution to consolidated *total assets* is calculated as Firm A's *total assets* less any ~~assets~~ assets resulting from *intra-group transactions* with the other members of the *UK consolidation group*);

(b) a representative member of the *UK consolidation group* notifies the *PRA* within 30 *business days* of the end of the previous reporting period; and

(c) this *data item* is reported at the level of the *UK consolidation group*.

The contribution of Firm A to the consolidated *total assets* in the *UK consolidation group* must be reassessed at the end of each reporting period. If, for a given reporting period, Firm A ceases to contribute more than 95% of the consolidated *total assets* in the *UK consolidation group*, this exemption is no longer available to the members of the *UK consolidation group*, and a representative member of the *UK consolidation group* must notify the *PRA* of that fact within 30 *business days* of the end of that reporting period.

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Annex E

Amendments to the Fees Part

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4 REGULATORY TRANSACTION FEES

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4.14B (1) Where a *UK Solvency II firm* or a *Solvency II undertaking* seeks permission for an *internal model*, the fee payable is as set out in Table E below, subject to 4.14B(2) and 4.14B(3).

(2) Where a *firm* or a *group* falls within both the *general insurance fee block* and the *life insurance fee block*, the fee payable is the greater of the fees due under each *fee block*.

(2) Where a *Solvency II undertaking* seeks permission for a *group internal model* which includes one or more *UK Solvency II firms* within its scope, the fee is calculated using aggregated tariff data for all in-scope *UK Solvency II firms*, and is payable by such of those *firms* and in such proportions as the *PRA* directs-.

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