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STATUTORY INSTRUMENTS

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**2006 No. 3221**

**FINANCIAL SERVICES AND MARKETS**

**The Capital Requirements Regulations 2006**

*Made - - - - 4th December 2006*

*Laid before Parliament 5th December 2006*

*Coming into force 1st January 2007*

**THE CAPITAL REQUIREMENTS REGULATIONS 2006**

PART 1

INTRODUCTION

1. Citation, commencement and interpretation

PART 2

APPLICATIONS FOR PERMISSIONS

2. Application for permission
3. Applications to the Authority as EEA consolidated supervisor
4. Applications forwarded to the Authority as a relevant competent authority
5. Proposals to vary or revoke a decision or joint decision
6. Where the Authority is a relevant competent authority and receives...
7. Recognition and application of a decision or joint decision
8. Exercise of functions under section 148 of the Act for the purpose of applying a decision or a joint decision
9. (1) Where the Authority proposes to exercise the powers conferred...

PART 3

EXERCISE OF SUPERVISION

10. The Authority's duties as an EEA consolidated supervisor
11. (1) The Authority must take such steps, in going concern...
12. (1) On request, the Authority must provide a relevant competent...
13. The Authority's duties as EEA consolidated supervisor or national consolidated supervisor
14. (1) Where an emergency situation arises within a banking group...
15. The Authority must, so far as necessary to facilitate and...

*Status: This is the original version (as it was originally made).*

16. (1) Where the Authority is considering, in relation to a...
17. Disclosed information
18. Amendment of the Financial Services and Markets Act 2000 (Consultation with Competent Authorities) Regulations 2001
19. In regulation 2, at the appropriate place, insert— “capital adequacy...
20. After regulation 7, insert— (1) Where paragraph (3) applies, the requirement specified by paragraph...

#### PART 4

### CREDIT INSTITUTIONS AND EXTERNAL CREDIT ASSESSMENT INSTITUTIONS

21. Interpretation
22. Recognition for exposure risk-weighting purposes
23. Recognition for securitisation risk-weighting purposes
24. Publishing recognition process and list of ECAIs
25. Revoking recognition

#### PART 5

### MISCELLANEOUS

26. Restriction on disclosure
27. Functions of the Authority
28. Service of notices
29. Consequential amendments to primary and secondary legislation  
Signature

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#### SCHEDULE 1 — Recognition of ECAIs

##### PART 1 — Methodology

1. Objectivity
2. Independence
3. The Authority must assess the independence of an ECAI’s assessment...
4. Ongoing review
5. The Authority must verify that the assessment methodology for each...
6. The Authority must take such steps as it considers necessary...
7. Transparency and disclosure

##### PART 2 — Credit assessments

8. Credibility and market acceptance
9. The Authority must assess credibility according to factors such as...
10. Transparency and Disclosure

#### SCHEDULE 2 — Mapping

1. (1) In order to differentiate between the relative degrees of...
2. In order to differentiate between the relative degrees of risk...
3. The Authority must compare default rates experienced for each credit...
4. Where the Authority believes that the default rates experienced for...
5. Where the Authority has increased the associated risk weight for...

#### SCHEDULE 3 — Consequential amendments to the Act

1. In section 405 of the Act (directions in relation to...
2. (1) Schedule 3 to the Act (EEA passport rights) is...
3. In paragraph 8(6) of Schedule 11A to the Act (transferable...

SCHEDULE 4 — Consequential amendments to other primary legislation

1. Amendment of the Consumer Credit Act 1974
2. Amendment of the Companies Act 1985
3. Amendment of the Building Societies Act 1986
4. Amendment of the Bank of England Act 1998
5. Amendment of the Criminal Justice Act 1993
6. Amendment of the Terrorism Act 2000
7. Amendment of the Proceeds of Crime Act 2002

SCHEDULE 5 — Consequential amendments to the Financial Conglomerates and Other Financial Groups Regulations 2004

1. (1) The Financial Conglomerates and Other Financial Groups Regulations 2004...

SCHEDULE 6 — Consequential amendments to other secondary legislation

1. Amendment of the Cash Ratio Deposits (Eligible Liabilities) Order 1998
2. Amendment of the Cross-Border Credit Transfers Regulations 1999
3. Amendment of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999
4. Amendment of the Competition Act 1998 (Small Agreements and Conduct of Minor Significance) Regulations 2000
5. Amendment of the Competition Act 1998 (Determination of Turnover for Penalties) Order 2000
6. Amendment of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001
7. Amendment of the Financial Services and Markets Act 2000 (Compensation Scheme: Electing Participants) Regulations 2001
8. Amendment of the Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001
9. Amendment of the Financial Services and Markets Act 2000 (EEA Passport Rights) Regulations 2001
10. Amendment of the Financial Services and Markets Act 2000 (Gibraltar) Order 2001
11. Amendment of the Financial Services and Markets Act 2000 (Confidential Information) (Bank of England) (Consequential Provisions) Order 2001
12. Amendment of the Uncertified Securities Regulations 2001
13. Amendment of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2002
14. Amendment of the Enterprise Act 2002 (Merger Fees and Determination of Turnover) Order 2003
15. Amendment of the Money Laundering Regulations 2003
16. Amendment of the Conduct of Employment Agencies and Employment Businesses Regulations 2003
17. Amendment of the Credit Institutions (Reorganisation and Winding Up) Regulations 2004
18. Amendment of the Building Societies Act 1986 (Modification of the Lending Limit and Funding Limit Calculations) Order 2004

Explanatory Note