
STATUTORY INSTRUMENTS

2004 No. 1862

The Financial Conglomerates and Other Financial Groups Regulations 2004

PART 5

Miscellaneous

[^{F1}18.—(1) In respect of the application of—

- (a) the PRA Rulebook, Financial Conglomerates Annex 1 Threshold Test 1, 2 and 3, or
- (b) the Threshold Test 1, 2 and 3 of Annex 4 of Chapter 3 of the FCA General Prudential sourcebook,
the relevant competent authorities may by common agreement take the action specified in paragraph (2).

(2) The action the relevant competent authorities may take is—

- (a) to exclude an entity when calculating the ratios, in the cases referred to in regulation 24, unless—
 - (i) the entity moved from the UK to a third country, and
 - (ii) there is evidence that the entity changed its location to avoid regulation;
- (b) to take into account compliance with the thresholds envisaged in—
 - (i) the PRA Rulebook, Financial Conglomerates Annex 1 Threshold Test 1 and 2, or
 - (ii) the Threshold Test 1 and 2 of Annex 4 of Chapter 3 of the FCA General Prudential sourcebook,
for three consecutive years so as to avoid sudden regime shifts, and disregard such compliance if there are significant changes in the group's structure;
- (c) to exclude one or more participations as defined in article 4.1(35) of the Capital Requirements Regulation in the smaller sector if—
 - (i) such participations are decisive for the identification of a financial conglomerate, and
 - (ii) are collectively of negligible interest with respect the objectives of supplementary supervision.

(3) Where a financial conglomerate has been identified according to—

- (a) the PRA Rulebook, Financial Conglomerates Annex 1 Threshold Test 1, 2 and 3, or
- (b) the Threshold Test 1, 2 and 3 of Annex 4 of Chapter 3 of the General Prudential sourcebook,
the decisions referred to in paragraph (1) must be taken on the basis of a proposal made by the co-ordinator of that financial conglomerate.]

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to *The Financial Conglomerates and Other Financial Groups Regulations 2004*. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

F1 Regs. 16-24 inserted (31.12.2020) by [The Financial Conglomerates and Other Financial Groups \(Amendment etc.\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/264), regs. 1, **3** (with regs. 6, 9) (as amended by S.I. 2019/1010, regs. 1(3), 8 and S.I. 2020/1031, reg. 3, Sch. para. 15 and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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Changes and effects yet to be applied to :

- Regulations power to modify conferred by [2023 c. 29 s. 3Sch. 1 Pt. 2](#)
- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)