
STATUTORY INSTRUMENTS

2021 No. 1376

The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021

PART 3

Amendments to Secondary Legislation

Capital Requirements Regulations 2013

16.—(1) The Capital Requirements Regulations 2013(1) are amended as follows.

(2) In regulation 2(1) (interpretation)—

- (a) omit the definition of “appropriate regulator”;
- (b) omit the definition of “capital requirements directive”;
- (c) after the definition of “capital requirements regulation” insert—

““on a consolidated basis” means on the basis of the consolidated situation;

“consolidated situation” means the situation that results from an entity being treated, for the purposes of the capital requirements regulation or CRR rules (as appropriate), as if that entity and one or more other entities formed a single entity;

“CRR rules” has the meaning given in section 144A of FSMA;”.

(3) In regulation 2A(1) (interpretation: regulators’ rules)(2)—

- (a) in paragraph (a), for “IP completion day” substitute “1 January 2022”;
- (b) omit paragraph (b);
- (c) in paragraph (c)(i), for “IP completion day” substitute “1 January 2022”.

(4) In regulation 4 (main provisions of the capital requirements regulation and [Directive 2013/36/EU](#) UK law) omit paragraph (b).

(5) In regulation 21 (assessment of equivalence of consolidated supervision by supervisory authorities in third countries)—

- (a) in paragraph (1)—
 - (i) in sub-paragraph (a), omit “or FCA”;
 - (ii) in sub-paragraph (c), omit “FCA or”;
 - (iii) in sub-paragraphs (d) and (e)(ii), omit “or FCA”;
- (b) for paragraph (2) substitute—

(1) [S.I. 2013/3115](#), amended by paragraphs 22 and 23 of Schedule 3 to the Financial Services Act 2021 (c. 22); relevant amending instruments are [S.I. 2018/1401](#), [S.I. 2019/264](#) and [S.I. 2020/1406](#).
(2) Regulation 2A was inserted by [S.I. 2018/1401](#).

Changes to legislation: There are outstanding changes not yet made by the [legislation.gov.uk](https://www.legislation.gov.uk) editorial team to The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021. 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](#)

- “(2) The PRA must assess whether a relevant institution is subject to supervision on a consolidated basis by a supervisory authority of a country outside the United Kingdom which is equivalent to the standard of supervision on a consolidated basis applied by the PRA in accordance with [Directive 2013/36/EU](#) UK law, the capital requirements regulation and CRR rules.”;
- (c) in paragraph (4)—
- (i) in the opening words, for “appropriate regulator”, in both places it occurs, substitute “PRA”;
 - (ii) in sub-paragraph (a), for “and capital requirements regulation” substitute “, the capital requirements regulation and CRR rules”.
- (6) In the heading of Part 7 (exercise of supervision by the PRA and FCA), omit “and FCA”.
- (7) In regulation 34 (supervisory powers: own funds)—
- (a) in paragraph (1)—
 - (i) in the opening words, omit “and FCA”;
 - (ii) for sub-paragraph (b) substitute—

“(b) the requirements of the capital requirements regulation and CRR rules relating to risks or elements of risks not covered by Article 1 of the capital requirements regulation or CRR rules.”;
 - (b) in paragraph (2)—
 - (i) in sub-paragraph (b), for “or in the capital requirements regulation” substitute “, the capital requirements regulation or CRR rules”;
 - (ii) in sub-paragraph (e), for “or the capital requirements regulation” substitute “, the capital requirements regulation or CRR rules”;
 - (c) in paragraph (3), in the opening words, omit “and FCA”;
 - (d) omit paragraph (3A).
- (8) In regulation 34A(1) (supervisory review and evaluation process)(3)—
- (a) in the opening words, for “and the capital requirements regulation” substitute “, the capital requirements regulation and CRR rules”;
 - (b) omit sub-paragraph (b).
- (9) In regulation 34B(1) (ongoing review of the permission to use internal approaches), after “the capital requirements regulation” insert “and CRR rules”.
- (10) In regulation 35 (specific liquidity requirements), in the opening words, for “appropriate regulator” substitute “PRA”.
- (11) Omit regulation 35A (application of supervisory measures to institutions with similar risk profiles).
- (12) In regulation 35B (supervisory powers), in the opening words—
- (a) after “Capital Requirements Regulation” insert “, CRR rules”;
 - (b) for “competent authorities” substitute “competent authority”.
- (13) In regulation 35C(1)(a) (specific publication requirements), for “Part 8 of the capital requirements regulation” substitute “the Disclosure (CRR) Part of the PRA Rulebook”.
- (14) In regulation 36 (employee remuneration)—
- (a) in paragraph (1), in the opening words, for “appropriate regulator” substitute “PRA”;

(3) Regulation 34A and 34B were inserted by [S.I. 2018/1401](#).

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- (b) in paragraph (2), from “means” to the end substitute “means rule 15.10 of the Remuneration Part of the PRA Rulebook”.
- (15) In regulation 37 (diversity practices), in the opening words before paragraph (a), for “appropriate regulator” substitute “PRA”.
- (16) In regulation 39 (meaning of “permission” and “protected item” in this Part)(4)—
 - (a) in paragraph (1), in the definition of “permission”—
 - (i) for “an appropriate regulator” substitute “the PRA”;
 - (ii) for “the appropriate regulator” substitute “the PRA”;
 - (iii) in sub-paragraph (c), omit “or FCA”;
 - (b) omit paragraph (2).
- (17) In regulation 40 (applications for permissions: process, information and documents), for “appropriate regulator”, in each place it occurs, substitute “PRA”.
- (18) In regulation 41 (decisions: written notices), for “appropriate regulator”, in each place it occurs, substitute “PRA”.
- (19) In regulation 43 (publication of written notices)—
 - (a) in paragraph (1), for “appropriate regulator” substitute “PRA”;
 - (b) in paragraph (4)(a), for “a regulator” substitute “the PRA”;
 - (c) for “the regulator”, in each place it occurs, substitute “the PRA”.

Commencement Information

II Reg. 16 in force at 1.1.2022, see [reg. 1\(3\)](#)

(4) Regulation 39 is amended by paragraph 22 of Schedule 3 to the Financial Services Act 2021.

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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](#)