

**PRA RULEBOOK: CRR FIRMS AND NON-AUTHORISED PERSONS: CONTRACTUAL RECOGNITION OF BAIL-IN AMENDMENT INSTRUMENT 2020**

**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 192JB (Rules requiring parent undertakings to facilitate resolution).
- B. The PRA exercises the following powers in the Act to make those terms in the Glossary that are used in this instrument in rules applicable to qualifying parent undertakings:
- (1) section 137T (General supplementary powers); and
  - (2) section 192JB (Rules requiring parent undertakings to facilitate resolution).
- C. 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**

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

Part	Annex
Contractual Recognition of Bail In	A
Contractual Recognition of Bail In	B

**Commencement**

- F. In this instrument, Annex A comes into force on 28 December 2020.
- G. In this instrument, Annex B comes into force on IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020.

**Citation**

- H. This instrument may be cited as the PRA Rulebook: CRR Firms and Non-Authorised Persons: Contractual Recognition of Bail-In Amendment Instrument 2020.

**By order of the Prudential Regulation Committee**

15 December 2020

## Annex A

## Amendments to the Contractual Recognition of Bail-In Part

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

**1 APPLICATION AND DEFINITIONS**

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1.1 Unless otherwise stated, this Part applies to a *BRRD undertaking* which is:

- (1) a *CRR firm*;
- (2) a *financial holding company*;
- (3) a *mixed financial holding company*; or
- (4) a *mixed activity holding company* which has at least one *subsidiary* which is an *institution* which is not the *subsidiary* of a *financial holding company* which is also a *subsidiary* of the *mixed activity holding company*.

1.1A In this Part, 2.1 to 2.3 shall not apply from 28 December 2020 until *IP completion day*.

1.2 In this Part, the following definitions shall apply:

...

*IP completion day*

has the meaning given in section 39(1) of the European Union (Withdrawal Agreement) Act 2020.

...

## Annex B

## Amendments to the Contractual Recognition of Bail-In Part

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

## 1 APPLICATION AND DEFINITIONS

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1.1 Unless otherwise stated, this Part applies to a *BRRD undertaking* which is:

- (1) a *CRR firm*;
- (2) a *financial holding company*;
- (3) a *mixed financial holding company*; or
- (4) a *mixed activity holding company* which has at least one *subsidiary* which is an *institution* which is not the *subsidiary* of a *financial holding company* which is also a *subsidiary* of the *mixed activity holding company*.

1.1A ~~In this Part, 2.1 to 2.3 shall not apply from 28 December 2020 until IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020. [Deleted.]~~

1.2 In this Part, the following definitions shall apply:

...

~~*excluded liability*~~

~~means any *liability* listed in section 48B(8) of the Banking Act 2009 except, in respect of *liabilities* created after 31 July 2016, a *liability* shall not be regarded as secured for the purposes of section 48(B)(8)(b) of the Banking Act 2009 if, at the time at which it is created, it is not a *fully secured liability*.~~

*excluded liability*

means any *liability* listed in section 48B(8) of the Banking Act 2009 except, in respect of *liabilities* created after 31 July 2016, a *liability* shall not be regarded as secured for the purposes of section 48(B)(8)(b) of the Banking Act 2009 if, at the time at which it is created, it is not a *fully secured liability*.

...

~~*IP completion day*~~

~~has the meaning given in section 39(1) of the European Union (Withdrawal Agreement) Act 2020.~~

...