

**PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS AND NON AUTHORISED PERSONS:
DEPOSITOR PROTECTION (AMENDMENT No. 2) INSTRUMENT 2015**

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);
 - (3) section 213 (The compensation scheme);
 - (4) section 214 (General); and
 - (5) section 215 (Rights of the scheme on insolvency).
- 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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Protection (Amendment No. 2) Instrument 2015**

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

Commencement

- E. This instrument comes into force on 3 July 2015.
F. With effect from 1 June 2016, the PRA deletes rule 9.6(2A).

Citation

- G. This instrument may be cited as the PRA Rulebook: CRR Firms, Non CRR Firms and Non Authorised Persons: Depositor Protection (Amendment No.2) Instrument 2015

By order of the Board of the Prudential Regulation Authority
26 June 2015

Annex A

Amendments to the Depositor Protection Part

Chapter 30 is deleted and the following amendments are made. In this Annex, new text is underlined and deleted text is struck through (with the exception of the deletion of the existing text of Chapter 30, which is not shown).

1 APPLICATION AND DEFINITIONS

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1.4 Unless otherwise stated, in this Part, the following definitions shall apply:

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exclusions view

means a single, consistent view of:

- (1) an account holder's aggregate deposits with a firm limited to accounts that contain or may contain eligible deposits to which the account holder is not absolutely entitled; or
- (2) a depositor's aggregate eligible deposits with a firm limited to accounts that are not active

and which contains the information required by 12.9.

~~a depositor's aggregate eligible deposits with a firm which contains the information required by 12.9, limited to accounts which:~~

- ~~(1) hold any funds to which the depositor is not absolutely entitled; or~~
- ~~(2) are not active.~~

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...

2 ELIGIBILITY

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2.2 ...

- (4) The following are not *eligible deposits*:
 - (a) ~~a deposit made by another credit institution on its own behalf or for its own account;~~

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9 TIME LIMITS

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9.6 (1) From 1 June 2016 until 31 December 2023, in cases to which ~~9.2~~ 9.3 applies, where the FSCS cannot pay compensation within seven *business days* starting on the day following the *compensation date*, the FSCS shall, provided it receives sufficient information to enable it to make a payment, ensure that within five *business days* of receipt of a request from a *depositor*:

(a) the *depositor* who is an individual, has access to an appropriate amount of their *covered deposits* to cover the cost of living; and

(b) the *depositor* which is not an individual or a large company, ~~or is a small local authority~~, has access to an appropriate amount of their *covered deposits* to cover necessary business expenses or operating costs.

[Note: Art 8(4) of the DGSD]

(2) From 3 July 2015 until 1 December 2016, in cases to which 9.3 applies, the FSCS shall ensure that a depositor which is a *large company* has access to their *covered deposits* within fifteen *business days* of receipt of a request from the *depositor* which contains sufficient information to enable the FSCS to make a payment.

(2A) From 3 July 2015 until 1 June 2016, in cases to which 9.3 applies, the FSCS shall ensure that a depositor which is a small local authority has access to their covered deposits within fifteen business days of receipt of a request from the depositor which contains sufficient information to enable the FSCS to make a payment.

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12 SINGLE CUSTOMER VIEW REQUIREMENTS

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12.3 If a *firm* does not have any accounts or balances which are required to be included within ~~the~~ an *exclusions view*, the *firm* must provide confirmation of this to the FSCS.

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12.9 A *firm* must ensure that each *single customer view* and *exclusions view* contains all the information set out in the table below.

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1.	<i>Single customer view</i> record number	Unique customer identifier.	Maximum number of characters in field: 200 100
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...

10.	Other national identifier	The type of national identifier being provided [if applicable and where held by the <i>firm</i>].	Maximum number of characters in field: 50 Values: (a) <u>NID - national identifier (Non-UK)</u> , (b) <u>DL - driving</u>
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			<u>licence,</u> (c) <u>O - other or unknown.</u> <u>Maximum number of characters in field: 3</u>
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27.	Single customer view record number	Unique customer identifier.	Maximum number of characters in field: 200 <u>100</u>
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37.	Exclusion type	<p>If applicable, where the file is an <i>exclusions view</i>, an indication of why the account falls within an <i>exclusions view</i>.</p> <p>Identify all of the following which apply:</p> <ul style="list-style-type: none"> a) <u>The account contains or may contain <i>eligible deposits</i> to which the account holder is not absolutely entitled. The depositor is not absolutely entitled to the sums held in the account;</u> b) The account is a <i>dormant account</i>; c) The account is an account for which the <i>firm</i> has received formal notice of a legal dispute or competing claims to the proceeds of the account; d) The account appears on the "Consolidated list of financial sanctions targets in the United Kingdom" that is maintained by HM Treasury or is otherwise subject to restrictive measures imposed by national governments or international bodies. 	Values: a) BEN b) LEGDOR c) LEGDIS d) HMTS Maximum number of characters in field: 6
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49. 48.	Single customer view record number	Unique customer identifier.	Maximum number of characters in field: 200 <u>100</u>
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12.13 The amount inserted into each *single customer view* and *exclusions view* as the account balance (Field 42) and aggregate balance across all accounts (Field 49 50) must be the total of principal plus any interest or premium attributable up to the *compensation date* (or the date on which the *PRA* or *FSCS* requests the *firm* to provide the *single customer view* and *exclusions view* in accordance with 12.2).

12.14 A *firm* must ensure that the amount inserted into each *single customer view* and *exclusions view* as the account balance (Field 42), original account balance before interest (Field 46 47) and aggregate balance across all accounts (Field 49 50) includes any payment made to the *depositor* for which value has been credited to the *depositor's* account regardless of whether the *firm* has received the value itself. A *firm* must ensure that the amount inserted into each *single customer view* and *exclusions view* as the account balance (Field 42), original account balance before interest (Field 46 47) and aggregate balance across all accounts (Field 49 50) excludes any payment sent by the *depositor* which has been debited from the *depositor's* account regardless of whether the *firm* has sent value itself.

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30 RECOVERIES OF ELIGIBLE DEPOSITS: RETURN OF SURPLUS TO COMPENSATION RECIPIENT

30.1 If the *FSCS*, in relation to a *claim* for *eligible deposits*, makes recoveries from the *credit institution* or any third party in respect of that *eligible deposit*, it must:

- (1) retain from those recoveries a sum equal to the aggregate of:
 - (a) the sum paid by the *FSCS* as compensation;
 - (b) any amount paid or payable by a *home state scheme* to the *compensation recipient*, and
 - (c) any amount the *FSCS* determines is appropriate to cover all or part of its reasonable costs of recovery; and
- (2) as soon as reasonably possible after it makes the recoveries, pay any remaining sum to the *compensation recipient* (or, if not the *depositor*, as directed by the *depositor* or to any *person* subrogated to the *claim* of the *depositor* against the *credit institution* or to the rights of the *depositor* under this Part or to any *person* otherwise entitled to any remaining sum).

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43 FUNDING – CLASS A TARIFF BASE CALCULATION

43.1 The *class A tariff base* is:

- (1) covered deposits (excluding *temporary high balances*) as at 31 December except that, where the *covered deposit* is a *dormant account*, the applicable tariff base is ~~*dormant account*~~ *covered deposit* multiplied by 0.2 as at 31 December; and

(2) the total balance of any *deposits* in any account which holds funds to which the account holder is not absolutely entitled but may exclude the value of any funds which the *firm* has confirmed are not *covered deposits*.

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43.2 ~~A firm must also include in its class A tariff base calculation the total balance of any *deposits* in any:~~

(1) ~~not active account; or~~

(2) ~~account which holds funds to which the account holder is not absolutely entitled.~~

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50 TRANSITIONAL PROVISIONS – SINGLE CUSTOMER VIEW

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50.11 A firm must ensure that a single customer view contains all the information set out in the table below.

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<p>Account balance in sterling <u>in the original currency</u></p>	<p>Account balance including any interest or premium attributable, at end of business on:</p> <p>(a) the <i>compensation</i> date;</p> <p>or</p> <p>(b) the date of request from the <i>FSCS</i> or the <i>PRA</i></p>
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