



Intragroup exposures applications: CRR Articles 113(6), 400(2)(c), 400(2)(g)-(h) and the leverage ratio Delegated Act Article 429(7)

In [PRA Supervisory Statement 16/13 'Large Exposures'](#) (June 2018) the PRA set out its expectations of firms, which should be read together with the specified CRR articles before applying for any of the CRR Permissions outlined below.

Risk-weighting application under CRR Article 113(6)

This permits the PRA to give prior approval for a firm to assign a 0% risk weight to certain intragroup exposures which meet the criteria in CRR Article 113(6).

To make an application under the CRR Article 113(6), firms are asked to attach the following CRR Core UK Group template to the application form.

[CRR application form](#)

[CRR Core UK Group template](#)

Leverage ratio exposures exemption application under the DA Article 429(7)

Article 429(7) of the European Commission Delegated Regulation (EU) 2015 / 62 amending Regulation (EU) No 575/2013 with regard to the leverage ratio allows the PRA to permit a firm to exclude from its leverage exposure the exposures that can benefit from the treatment laid down in CRR Article 113(6) when the firm meets all the conditions set out in points (a) to (e) of Article 113(6) and the PRA has given the firm the approval laid down in Article 113(6).

To make an application under the DA Article 429(7), firms are asked to attach the following CRR Core UK Group template to the application form:

[CRR application form](#)

[CRR Core UK Group template](#)

Firms applying for both the CRR Article 113(6) permission and the DA Article 429(7) permission should submit only one Core UK group template.

Firms that are already in receipt of the CRR Article 113(6) permission and would like to apply for the DA Article 429(7) permission, should apply for a variation of existing permission using the CRR application form (see question 6 under Additional Details). In this case, firms need not submit the Core UK group template.

Large Exposures Application under CRR Article 400(2)(c)

This exemption permits the PRA to fully or partially exempt exposures incurred by a firm to certain intragroup counterparties from the large exposures limit in CRR Article 395(1).

Firms must demonstrate how:

- they have sought to satisfy the PRA's expectations as set out in SS16/13; and
- the conditions stated in the PRA Rulebook in respect of a Non-Core Large Exposures Group (NCLEG) non-trading book exemption and/ or an NCLEG trading-book exemption are satisfied.

To make an application in respect of CRR Article 400(2)(c), firms are asked to attach the following CRR Non-core criteria template to their applications:

[CRR application form](#)

[CRR Non-core Large Exposures Group template](#)

Large Exposures application under CRR 400(2)(g)-(h)

This exemption allows the PRA to exempt certain exposures which constitute claims on central banks and governments.

Firms must demonstrate how:

- they have sought to satisfy the PRA's expectations as set out in SS16/13; and
- the conditions stated in the PRA Rulebook in respect of a Sovereign Large Exposures Exemption are satisfied.

The PRA is not proposing to exercise any of the other discretions outlined in CRR Article 400(2) other than those detailed above.

The PRA does not intend to use the discretion in CRR Article 395(1) which allows competent authorities to set a lower limit than €150 million for the purposes of Article 395(1) CRR.

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