

PRA RULEBOOK: CRR FIRMS, NON-CRR FIRMS AND NON-AUTHORISED PERSONS: DEPOSITOR PROTECTION (TEMPORARY HIGH BALANCES) 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);
 - (3) section 213 (The compensation scheme); and
 - (4) section 214 (General).
- 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.

PRA Rulebook: CRR Firms, Non-CRR Firms and Non-Authorised Persons: Depositor Protection (Temporary High Balances) Instrument 2020

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

Part	Annex
Depositor Protection	A
Depositor Protection	B
Depositor Protection	C

Commencement

- E. Annex A comes into force on 6 August 2020.
- F. Annex B comes into force on 1 February 2021.
- G. Annex C comes into force on 1 February 2022.

Citation

- H. This instrument may be cited as the PRA Rulebook: CRR Firms, Non-CRR Firms and Non-Authorised Persons: Depositor Protection (Temporary High Balances) Instrument 2020.

By order of the Prudential Regulation Committee

31 July 2020

Annex A

Amendments in the Depositor Protection Part

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

10 TEMPORARY HIGH BALANCES

...

10.7 Subject to 10.7A, the ~~The~~ protection for *temporary high balances* under 4.3 shall run for a period of six months from the later of:

...

10.7A The protection for *temporary high balances* under 4.3 shall run for a period of 12 months instead of 6 months where the later date under 10.7 (1) and (2) falls before 1 February 2021.

...

16 FIRMS' DISCLOSURE OBLIGATIONS - INFORMATION AND EXCLUSIONS

...

16.2A For the purposes of 16.2 (2), a *firm's information sheet* may be considered up-to-date notwithstanding that it does not refer to the 12 month period of protection for certain *temporary high balances* provided for in 10.7A.

...

ANNEX 1 – INFORMATION SHEET (CHAPTER 16)

...

² General limit of protection

...

In some cases eligible deposits which are categorised as “temporary high balances” are protected above £85,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable (temporarily extended to 12 months for eligible deposits which are credited or become legally transferable (whichever is later) before 1 February 2021). These are eligible deposits connected with certain events including:

...

Annex B

Amendments in the Depositor Protection Part

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

16 FIRMS' DISCLOSURE OBLIGATIONS - INFORMATION AND EXCLUSIONS

...

16.2A ~~For the purposes of 16.2 (2), a *firm's information sheet* may be considered up to date notwithstanding that it does not refer to the 12 month period of protection for certain *temporary high balances* provided for in 10.7A. [Deleted.]~~

...

ANNEX 1 – INFORMATION SHEET (CHAPTER 16)

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² General limit of protection

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In some cases eligible deposits which are categorised as “temporary high balances” are protected above £85,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable ~~(temporarily extended to 12 months for eligible deposits which are credited or become legally transferable (whichever is later) before 1 February 2024)~~. These are eligible deposits connected with certain events including:

...

Annex C

Amendments in the Depositor Protection Part

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

10 TEMPORARY HIGH BALANCES

...

10.7 ~~Subject to 10.7A, the~~ The protection for *temporary high balances* under 4.3 shall run for a period of six months from the later of:

...

10.7A ~~The protection for *temporary high balances* under 4.3 shall run for a period of 12 months instead of 6 months where the later date under 10.7 (1) and (2) falls before 1 February 2021. [Deleted.]~~

...