

WRITTEN NOTICE

IMA PERMISSION

To: **Barclays Bank Plc (FRN: 122702) ("a firm")**
Barclays Capital Securities Limited (FRN: 124431)
("a firm")
Barclays Plc (FRN: 204365) ("the holding company")
(together, "the addressees")

Address: One Churchill Place London E14 5HP

Reference Number: 00005827, 00005947

Date: 29 March 2023

DECISIONS

1. In accordance with Chapter 5, Title IV, Part 3, of Regulation 575/2013 of the European Parliament and of the Council of 26th June 2013 on prudential requirements for credit institutions and investment firms as it forms part of retained EU law (the "CRR"), the PRA has decided to grant the addressees permission to use the internal model approach in the calculation of own funds requirements for market risk, on the terms and conditions set out in Annex 1 (the "IMA Permission").
2. Further to regulations 34B and 35B of the Capital Requirements Regulations 2013 and an application made by the firms in accordance with section 55M(5) of the Financial Services and Markets Act 2000 (the "Act") for certain requirements the PRA has decided to grant the firms the requirements specified in Annex 2.



Bank of England

Prudential Regulation Authority

3. If an addressee ceases to comply with the conditions in Chapter 5, Title IV, Part 3, of the CRR, the requirements set out in Annex 1, or the requirements set out in Annex 2, the PRA will re-consider the terms and conditions of the IMA Permission and the requirements relevant to it, which may include a revocation of the IMA Permission in whole or in part.
4. The IMA Permission takes effect on 01 February 2023. This written notice replaces written notices 00004995 and 00004996.

PROCEDURAL MATTERS

5. If you wish to challenge the decisions taken by the PRA in relation to the IMA Permission, you may refer the matter to the Upper Tribunal.
6. Details of the IMA Permission will be published. The full text of this Written Notice will not be published.

Simon Dixon

Head of UK Deposit Takers



Bank of England

Prudential Regulation Authority

ANNEX 1

THE INTERNAL MODEL APPROACH PERMISSION

Legal Entities

1. The IMA Permission means that
 - a. the firms may use, on an individual basis, the internal model approach in its calculation of own funds requirements for market risk in relation to the risk categories and categories of position described in paragraphs 3 and 4 of this Annex, in accordance with Sections 1, 2, 3 and 4, Chapter 5, Title IV, Part 3, of the CRR.
 - b. the holding company may use the internal model approach in its calculation of own funds requirements for market risk in relation to the risk categories and categories of position described in paragraphs 3 and 4 of this Annex, in accordance with Sections 1 and 2, Chapter 5, Title IV, Part 3, of the CRR, on a consolidated basis in respect of the following entities:

Barclays Bank plc
Barclays Capital Securities Limited
Barclays Bank Ireland

Changes and extensions

2. In accordance with Article 363(3) of the CRR and Commission Delegated Regulation (EU) 529/2014 (the "Delegated Regulation") as it forms part of retained EU law, the prior approval of the PRA is required for any material change to the models subject to the IMA Permission or any material extension of use of those models. All other changes to, or extensions of use of, the models must be notified to the PRA. As specified by the Delegated Regulation, in certain cases such notification must be made two weeks before the proposed date of implementation.
3. In accordance with Fundamental Rule 7, the PRA expects a firm to discuss with the PRA in advance of implementation details of any significant planned changes or extensions which are relevant to the internal models covered by this permission and which do not necessarily require the prior approval of the PRA under Article 363(1) of the CRR. Such changes might include, for example:



Bank of England

Prudential Regulation Authority

- 3.1. new models and systems;
- 3.2. changes to existing models and systems;
- 3.3. the inclusion of significant new types of positions;
- 3.4. the inclusion of significant new sets of positions, e.g. trading strategies, business units;
- 3.5. significant changes to existing types of position, e.g. currencies, geographies, sectors, maturities/tenors.

These details should include information about the nature of the change, including an estimate of the impact of the change on key risk measures (e.g. VaR) and on the addressee's own funds requirements for market risk. They should also include the impact on the own funds requirements for other risk types (such as CVA risk), where relevant.

For avoidance of doubt, this expectation is in addition to the requirements of prior approval or notification under Article 363(3) of the CRR and the Delegated Regulation and the ongoing reporting requirements referred to in Annex 2 below.



Bank of England

Prudential Regulation Authority

ANNEX 2

REQUIREMENTS RELEVANT TO THE IMA PERMISSION GRANTED FOLLOWING AN APPLICATION IN ACCORDANCE WITH SECTION 55M(5) OF THE ACT

Reporting Requirements

1. Each firm must comply with certain requirements relating to the use of their internal models under this IMA permission. This includes the submission of certain information to the PRA, in respect of each quarter, about developments and changes with respect to the internal models, as well as the systems and controls relating to them.



Bank of England

Prudential Regulation Authority

NOTE ON DISCLOSURE

The PRA has decided not to publish the full text and annexes of IMA permission notices, as it has been deemed inappropriate and unnecessary. In particular, to do so might prejudice, to an unreasonable extent, the commercial interests of the firms or company concerned.

However, in the interests of transparency, the PRA's policy is to publish an abridged version of the permission notice, as a record that the IMA permission has been granted.

