

## **Direction**

To: [Firm name] ('the firm')

Of: [Firm address]

Ref: [insert reference]

Date: [Date of issuance]

### **Rulebook version as in force at the date of this Direction**

#### **Power**

1. This Direction is given by the *PRA* under section 138A of the Financial Services and Markets Act 2000.

#### **Duration**

2. (1) This Direction takes effect on [issue date].  
(2) This Direction ends on the earlier of
  - the date in March 2025 that is exactly 3 years from the publication date
  - the date on which the relevant rules are revoked, or no longer apply to the firm.

#### **Rule Modified**

3. The PRA directs that the rules listed below will apply to the firm with the modifications shown.

Rule	Modification
Third Country Branches – Application and Definitions – Rule 1.2	<p><b><i>branch MCR</i></b> means a capital requirement calculated in accordance with the <b>Minimum Capital Requirement</b> Part of the <b>PRA</b> Rulebook but taking account only of the operations effected by the <b><i>third country branch</i></b>, insofar as the <b><i>location of the risk</i></b> is in the <b><i>UK</i></b>.</p> <p><b><i>branch SCR</i></b> means a capital requirement calculated in accordance with the <b>SCR Rules</b> but taking account only of the operations effected by the <b><i>third country branch</i></b>, insofar as the <b><i>location of the risk</i></b> is in the <b><i>UK</i></b>.</p>
Glossary – <u>location of the risk</u>	<p><b><u>THIS DEFINITION ONLY APPLIES TO THE THIRD COUNTRY BRANCHES PART</u></b></p> <p><u>means any of the following:</u></p> <p>(a) <u>the country/state in which the property is situated, where the insurance relates either to buildings or to buildings and their contents, in so far as the contents are covered by the same insurance policy;</u></p> <p>(b) <u>the country/state of registration, where the insurance relates to vehicles of any type;</u></p> <p>(c) <u>the country/state where the <b><i>policyholder</i></b> took out the policy in the case of policies of a duration of four months or less covering travel or holiday risks, whatever the class concerned;</u></p> <p>(d) <u>in all cases not explicitly covered by points (a), (b) or (c), the country/state in which either of the following is situated:</u></p> <p>(i) <u>where the <b><i>policyholder</i></b> is an individual, the country/state where the <b><i>policyholder</i></b> has their <b><i>habitual residence</i></b> at the date when the <b><i>contract of insurance</i></b> commenced;</u></p> <p>(ii) <u>if the <b><i>policyholder</i></b> is a legal person, the country/state where that <b><i>policyholder's</i></b> <b><i>establishment</i></b> to which the <b><i>contract of insurance</i></b> relates at the date when the <b><i>contract of insurance</i></b> commenced; or</u></p> <p>(iii) <u>if the <b><i>policyholder</i></b> is a trustee,</u></p> <p>i. <u>and the trustee is an individual, where the trustee has his <b><i>habitual residence</i></b> at the date when the <b><i>contract of insurance</i></b> commenced;</u></p> <p>ii. <u>and the trustee is not an individual, where the <b><i>establishment</i></b> to which the risk relates is situated at the date when the <b><i>contract of insurance</i></b> commenced; and</u></p> <p>(iv) <u>where there are two or more <b><i>policyholders</i></b>, so long as the location of the risk for one <b><i>policyholder</i></b> under (i) – (iii) is the UK, that shall be where the risk is located.</u></p>
Glossary - <u>establishment</u>	<p><b><u>THIS DEFINITION ONLY APPLIES TO THE THIRD COUNTRY BRANCHES PART</u></b></p> <p><u>means, in relation to an <b><i>undertaking</i></b>, its head office or any of its <b><i>branches</i></b>.</u></p>
Glossary – <u>habitual residence</u>	<p><b><u>THIS DEFINITION ONLY APPLIES TO THE THIRD COUNTRY BRANCHES PART</u></b></p> <p><u>means:</u></p> <p><u>(1) the address given by the individual as their residence if it reasonably appears to be a residential address and there is no evidence to the contrary; or</u></p> <p><u>(2) in respect of the variation of a <b><i>life policy</i></b>, or the purchase of a <b><i>pension annuity</i></b> related to a <b><i>life policy</i></b>, unless there is evidence to the contrary, the <b><i>habitual residence</i></b> of the <b><i>policyholder</i></b> at the date on which the <b><i>policyholder</i></b> signed the proposal for the <b><i>life policy</i></b>.</u></p>
Glossary – branch technical provisions	<p>means the technical provisions established in accordance with the <b>Technical Provisions</b> Part of the <b>PRA</b> Rulebook to cover the insurance and <b><i>reinsurance</i></b> obligations assumed by a <b><i>third country branch undertaking</i></b> in the <b><i>UK</i></b>, insofar as the <b><i>location of the risk</i></b> is in the <b><i>UK</i></b>.</p>

Third Country Branches – Separation of Long-Term Business and General Business – Rule 11.2(3)	The <b>notional life MCR</b> , <b>notional non-life MCR</b> , the <b>notional life SCR</b> and <b>notional non-life SCR</b> referred to in the <b>Composites</b> Part of the <b>PRA</b> Rulebook shall be calculated taking account only of the operations effected by the <b>third country branch</b> , <u>insofar as the <b>location of the risk</b> is in the <b>UK</b>.</u>																						
Reporting – Rule 2.2(1)	<p>2.2 The information referred to in 2.1 must:</p> <p>(1) be submitted in the applicable format or template (if any) provided in the <b>Solvency II regulations</b> (or in the form of any <b>national specific template</b> where applicable). <u>In terms of the quantitative templates, where the operations effected by the <b>third country branch</b> solely relate to risks where the <b>location of the risk</b> is not in the <b>UK</b>, only the following quarterly and annual quantitative templates are required, where applicable:</u></p> <table border="1" data-bbox="496 663 1347 1323"> <thead> <tr> <th data-bbox="496 663 911 696"><u>Quarterly reporting</u></th> <th data-bbox="911 663 1347 696"><u>Annual reporting</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="496 696 911 734"><u>S.01.01.08 – Content of the submission</u></td> <td data-bbox="911 696 1347 734"><u>S.01.01.07 – Content of the submission</u></td> </tr> <tr> <td data-bbox="496 734 911 804"><u>S.01.02.07 – Basic Information - General</u></td> <td data-bbox="911 734 1347 804"><u>S.01.02.07 – Basic Information - General</u></td> </tr> <tr> <td data-bbox="496 804 911 873"><u>S.05.01.02 – Premiums, claims and expenses by line of business</u></td> <td data-bbox="911 804 1347 873"><u>S.01.03.01 – Basic information on ring-fenced funds and matching portfolios</u></td> </tr> <tr> <td data-bbox="496 873 911 943"></td> <td data-bbox="911 873 1347 943"><u>S.03.01.01 – Off-balance sheet information</u></td> </tr> <tr> <td data-bbox="496 943 911 1012"></td> <td data-bbox="911 943 1347 1012"><u>S.03.02.01 – List of off-balance sheet unlimited guarantees received</u></td> </tr> <tr> <td data-bbox="496 1012 911 1081"></td> <td data-bbox="911 1012 1347 1081"><u>S.03.03.01 – List of off-balance sheet unlimited guarantees provided</u></td> </tr> <tr> <td data-bbox="496 1081 911 1151"></td> <td data-bbox="911 1081 1347 1151"><u>S.05.01.01 – Premiums, claims and expenses by line of business</u></td> </tr> <tr> <td data-bbox="496 1151 911 1220"></td> <td data-bbox="911 1151 1347 1220"><u>S.05.02.01 – Premiums, claims and expenses by country</u></td> </tr> <tr> <td data-bbox="496 1220 911 1258"></td> <td data-bbox="911 1220 1347 1258"><u>S.09.01.01 – Income, gains and losses</u></td> </tr> <tr> <td data-bbox="496 1258 911 1323"></td> <td data-bbox="911 1258 1347 1323"><u>S.11.01.01 – List of assets held as collateral</u></td> </tr> </tbody> </table>	<u>Quarterly reporting</u>	<u>Annual reporting</u>	<u>S.01.01.08 – Content of the submission</u>	<u>S.01.01.07 – Content of the submission</u>	<u>S.01.02.07 – Basic Information - General</u>	<u>S.01.02.07 – Basic Information - General</u>	<u>S.05.01.02 – Premiums, claims and expenses by line of business</u>	<u>S.01.03.01 – Basic information on ring-fenced funds and matching portfolios</u>		<u>S.03.01.01 – Off-balance sheet information</u>		<u>S.03.02.01 – List of off-balance sheet unlimited guarantees received</u>		<u>S.03.03.01 – List of off-balance sheet unlimited guarantees provided</u>		<u>S.05.01.01 – Premiums, claims and expenses by line of business</u>		<u>S.05.02.01 – Premiums, claims and expenses by country</u>		<u>S.09.01.01 – Income, gains and losses</u>		<u>S.11.01.01 – List of assets held as collateral</u>
<u>Quarterly reporting</u>	<u>Annual reporting</u>																						
<u>S.01.01.08 – Content of the submission</u>	<u>S.01.01.07 – Content of the submission</u>																						
<u>S.01.02.07 – Basic Information - General</u>	<u>S.01.02.07 – Basic Information - General</u>																						
<u>S.05.01.02 – Premiums, claims and expenses by line of business</u>	<u>S.01.03.01 – Basic information on ring-fenced funds and matching portfolios</u>																						
	<u>S.03.01.01 – Off-balance sheet information</u>																						
	<u>S.03.02.01 – List of off-balance sheet unlimited guarantees received</u>																						
	<u>S.03.03.01 – List of off-balance sheet unlimited guarantees provided</u>																						
	<u>S.05.01.01 – Premiums, claims and expenses by line of business</u>																						
	<u>S.05.02.01 – Premiums, claims and expenses by country</u>																						
	<u>S.09.01.01 – Income, gains and losses</u>																						
	<u>S.11.01.01 – List of assets held as collateral</u>																						

## Interpretation

4. Interpretative provisions (including definitions) of the *PRA Rulebook* apply to this direction in the same way they apply to the *PRA Rulebook*.

**Anna Sweeney**  
**Executive Director**  
**Prudential Regulation Authority**