



DIRECTION

To: [Firm name] [FRN] (“the Firm”)

Of: [Firm address]

Ref: [TARDIS REF NUMBER]

Date: [Issue Date]

Rulebook version as in force at the date this Direction takes effect.

Power

1. This direction is given by the *PRA* under Section 138A of the *Act*.

Duration

2. This direction takes effect on [insert date].
3. This direction ends on the date on which relevant Definition of Capital rules are amended or no longer apply to the *firm*.

Rules Modified

4. The *PRA* directs that the rules listed below apply to the *firm* with the modifications shown (new text underlined, deleted text is struck through).

Rule	Modification
Definition of Capital 7.1	<i>A firm</i> must notify the <i>PRA</i> in writing of its intention, or the intention of another member of its <i>group</i> that is not a <i>firm</i> but is included in the supervision on a consolidated basis of the <i>firm</i> , to issue a capital instrument that it considers will qualify under the <i>CRR</i> as an <i>own funds instrument</i> , including a situation where the issuer intends to issue the instrument pursuant to a note issuance programme (NIP). This rule does not apply in the situation described in 7.5 below <u>and in the situation described in the second subparagraph of Article 26(3) of the <i>CRR</i>.</u>
Definition of Capital 7.5	Where: (1) a <i>firm</i> has, within the 12 months prior to submission of a notified issuance, previously issued an <i>own funds instrument</i> <u>that is not a <i>Common Equity Tier 1</i></u>



	<p><u>instrument</u> and has complied with 7.1 in respect of that previous issuance;</p> <p>[...]</p> <p>(3) the notified issuance in (1) is designed so that it will constitute a compliant <i>own funds instrument</i>, as evidenced either by the legal opinion referred to in 7.3(3) or, in the case of a <u>Common Equity Tier 1 instrument</u>, by the form referred to in 7.9(2) (CET1 Compliance Template);</p> <p>[...]</p>

Interpretation

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

[Decision maker name]

[Decision maker role]

Prudential Regulation Authority