



## Waiver by consent of the Continuity of Access rules

As part of the suite of reforms introduced during the transposition of the Deposit Guarantee Schemes Directive (DGSD) in 2015, the PRA introduced rules in the Depositor Protection Part of the PRA Rulebook (DPP) requiring firms to put in place systems to ensure eligible depositors have continued access to FSCS-covered deposits in resolution or insolvency by facilitating a transfer of such deposits (Continuity of Access). The unmodified rules required all firms subject to the Continuity of Access (CoA) rules in the DPP to meet these requirements by 1 December 2016.

Since the introduction of CoA rules, the Bank's approach to resolution has evolved and the Bank has been assessing how this impacts the transfer of FSCS-covered deposits using CoA functionality. In advance of the 1 December 2016 effective date of the rules, the PRA offered a waiver by consent available to a broad set of firms. An individual waiver process has also been available to firms based on factors listed in Supervisory Statement 18/15.

Since 2016, the Bank has publicly committed to reviewing the calibration of MREL before the end of 2020. In doing so, the Bank will have regard to any intervening changes in the UK regulatory framework due to the revision of the Bank Recovery and Resolution Directive and the Capital Requirements Regulation as well as firms' experience in issuing liabilities to meet their interim MRELS. This review may lead the PRA to consider adjustments to the scope, functionality and necessity of the rules on CoA.

Pending the outcome of the review, the PRA is providing a new waiver by consent for the CoA rules with an expiry of 1 December 2022. This waiver by consent is available in relation to a firm if it meets the criteria in a case set out below. The waiver exempts a firm from the Continuity of Access rules (DPP 13.4-13.8 inclusive) and from the related Continuity of Access reporting requirements (DPP 15.2-15.4 inclusive and 15.7).

**Case 1** is where on 31 March 2019<sup>1</sup> the total assets a *firm* is required to report on FINREP(F01.01) exceed £15 billion.

**Case 2** is where on, 31 March 2019<sup>2</sup>:

- (i) the aggregate amount of *covered deposits* a *firm* is required to report on COREP (C68.00.a) does not exceed £2 billion; **and**
- (ii) the number of depositors a *firm* is required to report on PRA108(65A) does not exceed 150,000.

**Case 3** is where the *firm* is an *overseas firm* that is not an *incoming firm* and has a *Part 4A permission* that includes *accepting deposits*.<sup>3</sup>

Italicised terms in Cases 1 to 3 above have the meaning given in the PRA Rulebook.

The PRA has set out the changes to the rules in the waiver direction, a copy of which can be found [here](#).

If a firm wants to take up this waiver, it should read the direction and contact the ATLAS Team stating which case the firm meets and requesting the waiver at:

ATLAS Team  
Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

Or [PRA-Waivers@bankofengland.co.uk](mailto:PRA-Waivers@bankofengland.co.uk)

The PRA will confirm in writing whether the request has been granted and will publish the approved modification direction on the Financial Services Register.

13 September 2019

<sup>1</sup> If a *firm* did not report on FINREP(F01.01) on 31 March 2019, the date closest to 31 March 2019 which it reported on FINREP(F01.01) should be used.

<sup>2</sup> If a *firm* did not report on COREP (C68.00.a) and/or PRA108(65A) on 31 March 2019, the date(s) closest to 31 March 2019 on which it reported on COREP (C68.00.a) and/or PRA108(65A), as applicable, should be used.

<sup>3</sup> In the event of a no-deal withdrawal from the European Union, Case 3 will apply to all *overseas firms* with a *Part 4A permission* that includes *accepting deposits*.