

**PRA RULEBOOK: CLOSE LINKS INSTRUMENT [YEAR]**

**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); and
  - (2) section 137T (general supplementary powers).
- 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.

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

**Commencement**

- E. This instrument comes into force on [DATE].

**Citation**

- F. This instrument may be cited as the PRA Rulebook: Close Links Instrument [Year].

**By order of the Board of the Prudential Regulation Authority**  
[DATE]

**Annex A**

In this Annex, the text is all new and is not underlined.

**Part**

# **CLOSE LINKS**

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**Chapter content**

- 1. APPLICATION AND DEFINITIONS**
- 2. REQUIREMENT TO NOTIFY CHANGES IN CLOSE LINKS**
- 3. ELECTION TO NOTIFY CHANGES IN CLOSE LINKS ON A MONTHLY BASIS**
- 4. ANNUAL CLOSE LINKS REPORT**
- 5. FORMS**

**Links**

## 1 APPLICATION AND DEFINITIONS

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1.1 Unless otherwise stated, this Part applies to every *firm* except an *incoming firm*.

1.2 In this Part, the following definitions shall apply:

*close links*

has the meaning given in *threshold condition* 5F(3) (Effective Supervision).

*Close Links Annual Report*

means the form referred to at 5.3.

*Close Links Monthly Report*

means the form referred to at 5.2.

*Close Links Notification Form*

means the form referred to at 5.1.

## 2 REQUIREMENT TO NOTIFY CHANGES IN CLOSE LINKS

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2.1 A *firm* must notify (or procure that another *firm* in its *group* notifies) the *PRA* that it has begun to have or ceased to have *close links* with any *person*.

2.2 Where a *firm* has elected to report changes in *close links* on a monthly basis under 3.1, it must:

- (1) within fifteen *business days* of the end of each month, report (or procure that another *firm* in its *group* reports) electronically for that month, by completing the *Close Links Monthly Report* and submitting it through the relevant platform provided by the *PRA*;
- (2) on a quarterly basis, submit (or procure that another *firm* in its *group* submits) a *group* organisation chart, unless there have been no changes since the submission of the previous organisation chart to the *PRA*, in which case the *group* organisation chart is not required.

2.3 The *Close Links Monthly Report* must include the information specified in the form.

2.4 Where a *firm* has not elected to report changes in *close links* on a monthly basis under 3.1, it must make (or procure that another *firm* in its *group* makes) a notification by completing the *Close Links Notification Form* as soon as reasonably practicable and no later than one month after it becomes aware that it has begun to have or ceased to have *close links* with any *person*.

2.5 The notification submitted under 2.4 must be made by completing the *Close Links Notification Form* and must include all the relevant information specified therein.

### 3 ELECTION TO NOTIFY CHANGES IN CLOSE LINKS ON A MONTHLY BASIS

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- 3.1 A *firm* wishing to report changes in *close links* on a monthly basis must send a written notice of election to the *firm's* usual supervisory contact at the *PRA*.
- 3.2 A *firm* wishing to cease reporting changes in *close links* on a monthly basis must send a written notice of that intention to its usual supervisory contact at the *PRA* at least one month before changing its *close links* reporting practice.

### 4 ANNUAL CLOSE LINKS REPORT

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- 4.1 A *firm* must submit (or procure that another *firm* in its *group* submits) annually by electronic means to the *PRA* the *Close Links Annual Report*, within four months of the *firm's* *accounting reference date*.
- 4.2 An unincorporated *friendly society* is only required to submit a report under 4.1 if it is aware that it has *close links*.
- 4.3 The *Close Links Annual Report* must include the information specified in the form.

### 5 FORMS

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- 5.1 The *Close Links Notification Form* can be found [here](#).
- 5.2 The *Close Links Monthly Report* can be found [here](#).
- 5.3 The *Close Links Annual Report* can be found [here](#).

Part

## CLOSE LINKS

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Externally defined glossary terms

<b>Term</b>	<b>Definition source</b>
<i>friendly society</i>	<i>s417 FSMA</i>
<i>group</i>	<i>s421 FSMA</i>
<i>person</i>	<i>Schedule 1 Interpretation Act 1978</i>
<i>threshold condition</i>	<i>s55B(1) FSMA</i>