

Bank of England PRA

Appendices to CP12/24 – Resolution assessments: Amendments to reporting and disclosure dates

October 2024

Draft for Consultation



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1: Draft PRA Rulebook: CRR Firms: Resolution Assessment Amendment Instrument [202X]

PRA RULEBOOK: CRR FIRMS: RESOLUTION ASSESSMENT AMENDMENT INSTRUMENT [202X]

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.

PRA Rulebook: CRR Firms: Resolution Assessment Amendment Instrument [202X]

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

Commencement

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

Citation

- E. This instrument may be cited as the PRA Rulebook: CRR Firms: Resolution Assessment Amendment Instrument [202X].

By order of the Prudential Regulation Committee

[DATE]

Annex**Amendments to the Resolution Assessment Part**

In this Annex new text is underlined and deleted text is struck through.

...

3 REPORT

3.1 A *firm* must submit to the *PRA* a report in writing of the assessment in 2.1 ~~by~~ on a periodic basis.

(1) ~~the first Friday in October 2021; and~~ [deleted]

(2) ~~biennially thereafter, by the first Friday in October of the relevant calendar year.~~ [deleted]

...

4 DISCLOSURE

4.1 A *firm* must publish ~~by the following dates~~ a summary of the most recent report submitted to the *PRA* under Chapter 3: on a periodic basis.

(1) ~~the second Friday in June 2022; and~~ [deleted]

(2) ~~the second Friday in June of each calendar year following the year in which a *firm* is required to submit a report under 3.1(2).~~ [deleted]

Draft for Consultation

2: Draft amendments to supervisory statement 4/19 – Resolution assessment and public disclosure by firms

In this appendix, new text is underlined and deleted text is struck through.

3 Reporting firms' assessments

...

~~Reports made prior to January 2022~~

~~3.12 The PRA acknowledges that for reports made prior to Saturday 1 January 2022, firms will have had less time to achieve some of the objectives set out in paragraph 2.11.⁷~~

~~3.13 The PRA considers that a firm's report made prior to Saturday 1 January 2022 should meet the expectations set out in paragraph 3.3, but in light of paragraph 3.12 above may be focused more on outstanding steps, in addition to the capabilities, resources, and arrangements already in place.~~

This sub-section has been deleted.

6 Waiver or modification of assessment, report, and disclosure requirements

~~6.1 The PRA recognises that there may be circumstances in which a firm may seek to alter one or more of the deadlines previously confirmed by the PRA, for example the submission date of its report or disclosure date. This could be, for example, when it is undergoing a significant reorganisation, restructure, merger or acquisition.~~

~~6.2 In such situations, the PRA may consider whether to grant a waiver from, or modification of, the requirement to assess or publish by the relevant date, or both, where the relevant~~

⁷ This is because not all policies relevant to firms' resolvability will be in force before Saturday 1 January 2022. These policies are: The Bank of England's Statement of Policy 'The Bank of England's Approach to Assessing Resolvability', The Bank of England's Statement of Policy on Continuity of Access to Financial Market Infrastructure (FMI), The Bank of England's Statement of Policy on Funding in Resolution, The Bank of England's Statement of Policy on Management, Governance and Communication and The Bank of England's Statement of Policy on Restructuring Planning. All these policies are available at: <https://www.bankofengland.co.uk/financial-stability/resolution/resolvability-assessment-framework/resolvability-assessment-framework-policy-documents>.

statutory tests are met. The PRA does not automatically grant applications for waivers or modifications. Details on the PRA's waiver process are available on the PRA's webpages.⁹

This sub-section has been deleted.

7 Process

7.1 The submission and disclosure dates specified in the rules are the latest possible dates by which a firm must submit its report to the PRA and make its public disclosure. In practice, the expectation is that the PRA, the Bank as resolution authority, and a firm would seek to coordinate, prior to the deadline, on a suitable date for submission and disclosure. Deleted.

7.2 If necessary, and after engaging with firms in scope of the Resolution Assessment Part, the PRA may consider a waiver from or modification of one or more firms' report or disclosure date in the rules to either bring it forward or move back as appropriate for the circumstances. Deleted.

7.3 Firms are required to submit reports periodically under Chapter 3 of the rules and publish a summary of that report periodically under Chapter 4 of the rules. The PRA will communicate the expected dates for firms' submission and disclosure in advance.

7.4 When setting the expected dates for report submissions and public disclosures, the PRA may vary the interval between report submissions as appropriate. However, firms are not expected to report more frequently than every two years. The PRA expects firms to leverage their internal assessment of their preparations for resolution to support the preparation of their reports to the PRA.

7.5 The PRA intends to communicate the expected reporting and disclosure dates at least 12 months before the expected submission date for firms' reports. In practice, the PRA is likely to communicate the expected dates for the next report and disclosure at the conclusion of each reporting and disclosure cycle, to support firms with their planning. The PRA will communicate the expected dates on its website.

7.6 Notwithstanding the 12-month period referred to in paragraph 7.5, the PRA may consider that it is necessary to change a previously communicated expected submission or disclosure date, for example in response to unforeseen events. If necessary, and after engaging with affected firms in scope of the Resolution Assessment Part, the PRA may alter, in short order, a previously communicated expected submission or disclosure date for one or more firms to either bring it forward or move it back as appropriate for the circumstances.

⁹ <https://www.bankofengland.co.uk/prudential-regulation/authorisations/waivers-and-modifications-of-rules>.

7.7 In general, the PRA anticipates that, in years where firms are asked to submit reports, the latest possible date for the submission of the report would be the first Friday in October. The PRA further anticipates that in years where firms are asked to publish a summary of the most recent report submitted to the PRA, publication would be due by the second Friday in June. In practice, the expectation is that the PRA, the Bank as resolution authority, and a firm would seek to co-ordinate, prior to the expected date, on a suitable date for disclosure. This is important so that firms' disclosures and the Bank's public statement on these firms' resolvability can be read alongside each other and to provide transparency on firms' preparations for resolution.

7.8 Where a firm not previously subject to the rules comes into scope, the firm should inform the PRA. The PRA will consider the circumstances and communicate to the firm when its first report submission and its first public disclosure will be due. The PRA would take into account, among other things, the proximity to the next expected reporting date and whether the firm came into scope as a result of an acquisition or through organic growth. While the PRA would take such decisions on a case-by-case basis, it is likely that a newly in-scope firm would be informed at least 12 months before its first report is due and at least 12-24 months before its first public disclosure is due.

7.9 The PRA recognises that there may be circumstances in which a firm may seek to alter an expected reporting and/or disclosure date. This could be, for example, when a firm is undergoing a significant reorganisation, restructure, merger or acquisition. In such situations, the PRA would consider a request from a firm to amend its reporting and/or disclosure date.

8 Transitional arrangements

~~8.1 Where a firm not previously subject to the rules comes into scope within 12 months of a report submission date, the PRA may consider the granting of a waiver or modification of the relevant requirement or requirements to postpone the submission or disclosure date, or both, until the next cycle. In considering a firm application for a waiver or modification, the PRA would take into account, among other things, whether the firm came into scope as a result of an acquisition or through organic growth.~~

~~8.2 Where a firm comes into scope between 12 to 24 months of a report date, the PRA is less likely to grant a waiver or modification of the requirement to assess and report to the PRA. However, the PRA may consider, upon receipt of an application from a firm, granting a waiver or modification from the requirement to publish a summary of the firm's report.~~

This sub-section has been deleted.