

**Bank of England PRA**

# Appendices to LIAF01/25 – July 2025

**Low Impact Amendments Process | LIAF01/25**

July 2025



This appendix shows amendments made to SS16/16 as part of LIAF01/25. Striking through indicates deleted text and underlining indicates new text. The final SS is available at:  
<https://www.bankofengland.co.uk/prudential-regulation/publication/2016/the-minimum-requirement-for-own-funds-and-eligible-liabilities-mrel-ss>.  
See: <https://www.bankofengland.co.uk/prudential-regulation/low-impact-amendments-to-pra-rules-and-policy-material/2025/july/low-impact-amendments-final-july-2025> for more information about how we make low impact changes to our rules and policy materials.

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# 1: Marked up amendments to SS16/16 - The minimum requirement for own funds and eligible liabilities (MREL) – buffers and Threshold Conditions

## 2 Buffers

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### Leverage ratio buffers

2.6 The PRA's leverage ratio framework includes two leverage ratio buffers: a countercyclical leverage ratio buffer (CCLB) and an additional leverage ratio buffer (ALRB)~~a G-SII additional leverage ratio buffer (G-SII ALRB)~~.<sup>10</sup> The Leverage Ratio – Capital Requirements and Buffers Part of the PRA Rulebook sets out the calculation of the CCLB, the ALRB, and the related obligations when these buffers are set by the PRA.

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2.7 The PRA expects firms not to meet the amount of CET1 calculated in paragraph 2.B with any CET1 capital counted towards their MREL. ~~If a firm is subject to, or becomes subject to, a CCLB or G-SII ALRB, the PRA will invite the firm to apply for a requirement under section 55M of FSMA preventing the firm from counting CET1 used to meet its MREL towards the amount of CET1 calculated in paragraph 2.B. If a firm does not apply for such a requirement, the PRA will consider using its powers under section 55M(3) of FSMA to impose the requirements.~~

## 4 Transitional arrangements

4.1 In the statement of policy on its approach to setting MREL, the Bank, as UK resolution authority, ~~indicates that it expects to direct firms to comply with an end-state MREL from 1 January 2022~~sets out the transitional arrangements that firms may be subject to. To ensure that firms make progress towards meeting their end-state requirements, the Bank expects to direct relevant firms to also meet an interim MREL. Please refer to Section 9~~Chapter 7~~ of the Bank statement of policy for these transitional arrangements.<sup>11</sup>

4.2 The PRA will apply the MREL buffer policy (Chapter 2) and Threshold Conditions policyies (Chapter 3) in respect of MREL set by the Bank with respect to both interim and end-state MREL requirements.

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## Footnotes:

<sup>1</sup> October 2018:

<https://www.bankofengland.co.uk/prudentialregulation/publication/2018/pr-a-approach-documents-2018>. June 2023: [The Prudential Regulation Authority's approach to banking supervision](#).

<sup>2</sup> June 2018: <https://www.bankofengland.co.uk/paper/2018/boes-approach-to-setting-mrel-2018>. July 2025: [The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities \(MREL\) | Bank of England](#).

<sup>4</sup> See SS45/15 'The UK leverage ratio framework', February 2025December 2015: [www.bankofengland.co.uk/prudential-regulation/publication/2015/the-uk-leverage-ratio-framework-ss](https://www.bankofengland.co.uk/prudential-regulation/publication/2015/the-uk-leverage-ratio-framework-ss).

<sup>5</sup> June 2018: <https://www.bankofengland.co.uk/paper/2018/boes-approach-to-setting-mrel-2018>. [Deleted]

<sup>6</sup> The risk-weighted capital minimum is Pillar 1 plus Pillar 2A. The leverage minimum is the 3% (as at 27 July 2017) leverage ratio minimum requirement. [As for the leverage ratio framework, the minimum leverage ratio capital requirement applies to firms on the basis set out in the Leverage Ratio - Capital Requirements and Buffers Part of the PRA Rulebook.](#)

<sup>9</sup> As stated in SS31/15 and SS6/14, the PRA imposes requirements on firms under section 55M of FSMA to set the G-SII buffer (where applicable) and prevents firms from meeting their CRD IV combined buffer with any CET1 capital maintained to meet their individual capital guidance. [Deleted]

<sup>10</sup> See SS45/15 'The UK leverage ratio framework', February 2025: <https://www.bankofengland.co.uk/prudential-regulation/publication/2015/the-uk-leverage-ratio-framework-ss>PS27/15 'Implementing a UK leverage ratio framework', December 2015: <https://www.bankofengland.co.uk/prudential-regulation/publication/2015/implementing-a-uk-leverage-ratio-framework>.

<sup>11</sup> June 2018: <https://www.bankofengland.co.uk/paper/2018/boes-approach-to-setting-mrel-2018>. [Deleted]