

DIRECTION

To: [Firm name] ('the firm')

Of: [Firm address]

Ref: [insert reference]

Date: [Date of issuance]

**PRA Rulebook Liquidity Coverage Ratio (CRR) Part (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 Financial Services and Markets Act 2000.

**Duration**

- 2. (1) This direction takes effect on [Date]  
  
(2) This direction ends on the date that the relevant rule below is revoked, or no longer applies to the firm (in whole or in part).

**Rules Modified**

- 3. The PRA directs that the rule listed below applies to the firm with the modifications below.

Rule	Modification
Liquidity Coverage Ratio (CRR) Part, Article 11 Level 2A Assets, paragraph (1)(d)(ii)	<del>(ii) the issuer and the covered bonds are subject by the national law in the third country to special public supervision designed to protect bondholders and the supervisory and regulatory arrangements applied in the that third country.</del>

	<p><del>must be at least equivalent to those applied in the United Kingdom;</del></p> <p><u>(ii) non-UK issued covered bonds that are recognised as level 2A HQLA shall be limited to the specific bonds which were included as liquid assets by [name of firm] on [31 January 2025], as included in the C 72.00 regulatory return submitted under Article 16 of Chapter 6 of the Reporting (CRR) Part. The amount recognised shall reflect the current market value of those bonds from time to time, subject to a cap of the amount reported in column 0010, row 270 of the C 72.00 reporting template on 31 January 2025. For the avoidance of doubt, the amount recognised shall not exceed the amount reported in column 0010, row 270 of the C 72.00 reporting template submitted under Article 16 of Chapter 6 of the Reporting (CRR) Part on 31 January 2025 even if the aggregate market value of the bonds increases above that amount.</u></p> <p><u>In the event that [name of firm] ceases to hold any of these bonds, whether due to disposal, maturity, redemption or otherwise, those bonds shall no longer count as liquid assets and shall not be replaced. The cap of the amount reported in column 0010, row 270 of the C 72.00 reporting template submitted under Article 16 of Chapter 6 of the Reporting (CRR) Part on 31 January 2025 shall be reduced by the market value of the bonds which the firm ceases to hold;</u></p>
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**Interpretation**

4. Interpretive provisions (including definitions) of the *PRA Rulebook* apply to this direction in the same way they apply to the *PRA Rulebook*.

**Supervision, Risk and Policy Committee****Prudential Regulation Authority**

The modification is offered under section 138A of the Financial Services and Markets Act 2000 (FSMA).

The PRA will publish such modification by consent on the website. If you believe your firm meets the requirements and should be able to take advantage of the modification, please read the direction and contact the Waivers and the EU Permissions Team ([PRA-waivers@bankofengland.co.uk](mailto:PRA-waivers@bankofengland.co.uk)) with a suitable request.

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