

PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS, NON-AUTHORISED PERSONS: DEPOSITOR PROTECTION INSTRUMENT 2016

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);
 - (2) section 137T (General supplementary powers);
 - (3) section 213 (The compensation scheme); and
 - (4) section 214 (General).
- 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.

PRA Rulebook: CRR Firms: Non CRR Firms, Non-Authorised Persons, Depositor Protection Instrument 2016

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

Commencement

- E. This instrument comes into force on 1 October 2016.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms, Non CRR Firms, Non-Authorised Persons: Depositor Protection Instrument 2016.

By order of the Board of the Prudential Regulation Authority

19 September 2016

Annex

Amendments to the Depositor Protection Part

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

34 FUNDING - DGS COMPENSATION COSTS LEVY

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34.4 *DGS compensation cost levies* imposed on *DGS members* to raise the *available financial means* of the *deposit guarantee scheme* must be based on the amount of *covered deposits* (excluding *temporary high balances*) and the FSCS's assessment of the degree of risk incurred by the respective *DGS member*.

[Note: Art. 13(1) of the *DGSD*]

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39 FUNDING - BUSINESS ACQUISITIONS FROM DGS MEMBERS

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39.2 If:

- (1) a *DGS member* (A) assumes a liability to repay *deposits* held by another *DGS member* (B);
- (2) B is no longer liable to pay a *DGS levy* to the *FSCS*; and
- (3) the assumption of liability takes place after the date to which, or as of which, A's most recent *statement of business* is drawn up,

the *FSCS* must require A to pay an additional amount equal to the levy that would have been payable by B in relation to the relevant business and *class A* (including an adjustment for the FSCS's assessment of the degree of risk incurred by B) if the acquisition had not taken place and B had remained liable to pay *DGS levies*. The amount is based on the B's most recent *statement of business*.

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42 FUNDING - DGS COMPENSATION COSTS

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42.3 The *FSCS* must calculate each *DGS member's* share of a *DGS compensation costs levy* by:

- (1) identifying the *DGS compensation costs* allocated to *class A*;
- (2) calculating, in relation to *class A*, the *DGS member's* tariff base as a proportion of the total tariff base of all *DGS members* in *class A*, using the *statement of business* most recently supplied;

- (3) applying the proportion calculated in (2) to the figure in (1); and
- (4) applying an adjustment for the degree of risk incurred by the *DGS member* to the product of the calculation in (3).

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