

**PRA RULEBOOK: SOLVENCY II FIRMS: OWN FUNDS
(NOTIFICATION OF ISSUANCE – AMENDMENTS) INSTRUMENT 2017**

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.

PRA Rulebook: Solvency II Firms: Own Funds (Notification of Issuance – Amendments) Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 March 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Own Funds (Notification of Issuance – Amendments) Instrument 2017

By order of the Board of the Prudential Regulation Authority

21 February 2017

Annex

Amendments to the Own Funds Part

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

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5 NOTIFICATION OF ISSUANCE OF OWN FUNDS ITEMS

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5.4 If a *firm* proposes to establish or amend a debt securities programme for the issue of an item for inclusion within its *basic own funds*, it must:

(1) notify the *PRA* of the establishment of the programme or of the proposed amendment to the programme; and

(2) provide the information required by 5.2(2)

at least one *month* before ~~the~~ any proposed drawdown. The *PRA* must be notified of any changes in accordance with 5.3.

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5.6 A *firm* must notify the *PRA* in writing, no later than the date of issue, of its intention to issue an item listed in 5.5 which it intends to include within its *basic own funds*. When giving notice, a *firm* must:

(1) provide the information set out in 5.2 other than 5.2(2)(c) (draft terms and conditions), 5.2(2)(d) (draft legal opinion) and 5.2(2)(e) (draft accounting opinion); and

(2) for issuance of an item pursuant to 5.5(1) or 5.5(3), confirm that the terms of the item have not changed since the previous issue by the *firm* of that type of item of *basic own funds*.

...

5.8 A *firm* must provide to the *PRA* as soon as practicable after the issuance of an item of *basic own funds* to which 5.2, ~~or~~ 5.4, 5.5(2) or 5.5(3) applies:

(1) a finalised copy of the draft legal opinion referred to in 5.2(2)(d);

(2) a finalised copy of the draft accounting opinion referred to in 5.2(2)(e) if applicable;

(3) a copy of the instrument's final terms and conditions; and

(4) a reasoned basis for the choice of coupon structure and any other provision that might suggest an incentive to redeem.