

Appendix 3: Abbreviations

AOF – ancillary own funds

BCR – basic capital requirement

BE – best estimate

BEEDS – Bank of England Electronic Data Submission

BOF – basic own funds

BTS – Binding Technical Standard(s)

CAO – capital add-on

CBA – cost benefit analysis

CCR – counterparty credit risk

CDR – Solvency II Commission Delegated Regulation (EU) 2015/35

CIR – Commission Implementing Regulation

CIU – collective investment undertaking

COC – cost of capital

CP – consultation paper

CQS – credit quality step

CRE – commercial real estate

DP – discussion paper

ECAI – external credit assessment institution

ECRA – external credit rating approach

EIOPA – European Insurance and Occupational Pensions Authority

EU – European Union

EUR – Euro

FCA – Financial Conduct Authority

FSMA – Financial Services and Markets Act

FX – foreign exchange

GBP – Pound Sterling

GDP – gross domestic product

GSP(s) – Group specific parameter(s)

HMT – HM Treasury

IASB – International Accounting Standards Board

IFRS – International Financial Reporting Standard(s)

IG – investment grade

IM – internal model

INOL – items not on list

ISPV – insurance special purpose vehicle

ITS – implementing technical standard(s)

LACDT – the loss-absorbing capacity of deferred taxes

LGD – loss given default

MA – matching adjustment

MCR – minimum capital requirement

NPV – net present value

OF – own funds

OR – operational risk

OTC – over-the-counter

PD – probability of default

PLA – profit and loss attribution

PS – policy statement

PSE – public sector entity

RFF – ring-fenced funds

RFR – risk-free rate

RM – risk margin

s138BA – Section 138BA of FSMA 2023

SA – supervisory authority

SCR – solvency capital requirement

SCR-SF – solvency capital requirement – standard formula

SEC – securitisation

SF – Standard Formula

SFCR – Solvency and Financial Condition Report

SI – Statutory Instrument

SII – Solvency II

SME – small and medium-sized enterprise

SMF – Senior Management Function

SoG – systems of governance

SoP – statement of policy

SPV – special purpose vehicle

SS – supervisory statement

SSA – simplified standardised approach

T1 – tier 1 own funds

T2 – tier 2 own funds

TCB – third-country branch

TMIR – transitional measure on the risk-free interest rate

TMTP – transitional measure on technical provisions

TPs – technical provisions

TS – technical standard

UK – United Kingdom of Great Britain and Northern Island

USD – US Dollar

USP(s) – undertaking specific parameter(s)

VA – volatility adjustment