

Bank of England PRA

Appendices to LIAF01/26 – Low
Impact Amendments Finalisation
April 2026

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This appendix shows amendments made to policy material as part of LIAF01/26. Striking through indicates deleted text and underlining indicates new text. The final Ss are available at [<https://www.bankofengland.co.uk/prudential-regulation/publication/2026/april/low-impact-amendments-finalisation-april-2026>].

See: <https://www.bankofengland.co.uk/prudential-regulation/low-impact-amendments-to-pra-rules-and-policy-material> 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 SoP2/23 – Operating the Small Domestic Deposit Taker (SDDT) regime

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

3: Approach to firms that do not meet the SDDT criteria

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Firms that are members of foreign groups

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3.3 The PRA considers that it may be appropriate for a firm that is a member of a foreign group but that satisfies each of the other conditions in the SDDT criteria to be treated in the same way as a firm that satisfies all the SDDT criteria. Whether this is the case will depend in particular on the total size of the foreign group the firm is a member of. The PRA considers that this is likely to be the case where the firm can demonstrate that the group's total assets do not exceed £20 billion when calculated on the following basis:

- the measure of total assets is comparable to the measure used in the SDDT criteria and calculated using the average of this measure during the previous 36 months; and
- the entities included in or excluded from the group for this purpose are determined using approximately the same principles as those used when establishing the boundaries of a UK regulatory consolidation group.¹

¹ This means, for example, including the same types of entities that would be included in a UK regulatory consolidation group (eg include institutions and financial institutions but exclude insurers).

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2: Marked up amendments to SS3/18 Model risk management principles for stress testing

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2. Model risk management principles for stress testing

Assessment

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2.8 All firms ~~applying the principles~~ are expected to do a self-assessment of their stress test model risk management practices ~~against the principles~~ as part of their internal capital adequacy assessment process (ICAAP) ~~from Tuesday 1 January 2019 onwards and~~. Firms with permission to use internal models to calculate regulatory capital² should base their self-assessments on the supervisory guidance set out in SS1/23 'Model risk management principles for banks' while firms without internal model approval should base their assessments on the principles set out in this supervisory statement. All firms are expected to report the findings in the ICAAP documents. ~~from Tuesday 1 January 2019 onwards.~~

² These are firms with approval to use internally developed models to calculate regulatory capital requirements for credit risk (Internal Ratings Based approaches), market risk (Internal Model Approach) or counterparty credit risk (Internal Model Method).

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3: Marked up amendments to SS1/23 Model risk management principles for banks

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1. Introduction

Implementation and self-assessments

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1.9 The expectations set out in this supervisory statement are not conditions for internal model approval. Firms that first receive permission to use an internal model to calculate regulatory capital ~~after the publication of this policy~~ will have 12 months from the grant of that permission to comply with the expectations in this policy.