

PRA RULEBOOK: CRR FIRMS, NON-CRR FIRMS, SOLVENCY II FIRMS & NON-SOLVENCY II FIRMS: NOTIFICATION OF THIRD-PARTY ARRANGEMENTS AND OPERATIONAL INCIDENT REPORTING INSTRUMENT 2026

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 instruments) of the Act.

PRA Rulebook: CRR Firms, Non-CRR Firms, Solvency II Firms & Non-Solvency II Firms: Notification of Third-Party Arrangements and Operational Incident Reporting Instrument 2026

- C. The PRA makes the rules in the Annexes to this instrument.

Part	Annex
Glossary	A
Insurance – Operational Resilience	B
Notifications	C
Regulatory Reporting	D

Templates, Annexes and Instruction documents

- D. The rules in this Instrument include any template, Annex or instruction document referred to in the rules. Where indicated by “here”, the rules when published electronically will include a hyperlink to the appropriate document.

Commencement

- E. This instrument comes into force on 18 March 2027.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms, Non-CRR Firms, Solvency II Firms & Non-Solvency II Firms: Notification of Third-Party Arrangements and Operational Incident Reporting Instrument 2026.

By order of the Prudential Regulation Committee

24 February 2026

Annex A

Amendments to the Glossary Part

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

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material third-party arrangement

means a third-party arrangement which is of such importance that a disruption or failure in the performance of the product or service provided to the firm could:

(1) pose a risk to:

(a) the firm's safety and soundness;

(b) in the case of an insurer, an appropriate degree of protection for those who are or may become the firm's policyholders; or

(c) where the firm is, or is controlled by, an O-SII, or is a relevant Solvency II firm, the stability of the UK financial system; or

(2) cast serious doubt upon the firm's ability to satisfy the threshold conditions, the Fundamental Rules, the Operational Resilience Part, Insurance – Operational Resilience Part or the Operational Continuity Part.

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relevant Solvency II firm

means, in the Insurance - Operational Resilience Part, Notifications Part and the Regulatory Reporting Part, a firm which fulfils any of the following conditions:

(1) the firm's annual gross written premium income exceeds £15 billion; or

(2) the total of the firm's technical provisions, gross of the amounts recoverable from reinsurance contracts and UK ISPVs, as referred to in Technical Provisions 2.1 to 2.3 exceeds £75 billion,

determined on the basis of the average annual amount assessed across a rolling period of three years, calculated by reference to the firm's accounting reference date; and where the firm has been in existence for less than three years, the assessment will be made on the basis of the annual average amount for the period during which the firm has existed (calculated by reference to the firm's accounting reference date).

...

third-party arrangement

an arrangement of any form between a firm and a person who provides a product or service to the firm, whether or not the product or service is:

(1) one which would otherwise be provided by the firm itself;

(2) provided directly or by a sub-contractor; or

(3) provided by a person within the same group as the firm.

...

Annex B

Amendments to the Insurance – Operational Resilience Part

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

1 APPLICATION AND DEFINITIONS

...

1.2 ...

relevant Solvency II firm

means a *firm* which fulfils any of the following conditions:

- (1) ~~the *firm's* annual gross written premium income exceeds £15 billion; or~~
- (2) ~~the total of the *firm's technical provisions*, gross of the amounts recoverable from *reinsurance contracts* and *UK ISPVs*, as referred to in Technical Provisions 2.1 to 2.3 exceeds £75 billion;~~

~~determined on the basis of the average annual amount assessed across a rolling period of three years, calculated by reference to the *firm's accounting reference date*; and where the *firm* has been in existence for less than three years, the assessment will be made on the basis of the annual average amount for the period during which the *firm* has existed (calculated by reference to the *firm's accounting reference date*).~~

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Annex C

Amendments to the Notifications Part

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

1 APPLICATION AND DEFINITIONS

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1.2 In this Part, the following definitions shall apply:

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permitted supplier

has the meaning given in Ring-fenced Bodies 1.2.

...

2 GENERAL NOTIFICATION REQUIREMENTS

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2.3 A *firm* must give the *PRA* notice of:

(1) any proposed restructuring, reorganisation or business expansion which could have a significant impact on the *firm's* risk profile or resources, including, but not limited to:

...

(e) ~~entering into, or significantly changing, a *material outsourcing* arrangement~~~~[deleted]~~;

...

...

2.3B

(1) A *firm* (except in the case of a *credit union* that has *total assets* of less than £50 million or a *non-directive firm*) must give the *PRA* notice when entering into, or significantly changing, a *material third-party arrangement*.

(2) A *firm* is not required to give the *PRA* notice when entering into, or significantly changing, a *material third-party arrangement* if the following conditions are met:

(a) the product or service will be provided by a *person* within the same *group* as the *firm*;
and

(b) the *person* providing the product or service has not entered into an arrangement with a *person* outside the *group* for the provision of that product or service to the *firm*.

(3) Where the *firm* is a *ring-fenced body*, (2) applies only if the *person* providing the product or service is a *permitted supplier*.

2.3C A *firm* must give the notice required in 2.3B by submitting Form M by electronic means.

2.3D Form M may be found [here](#).

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Annex D

Amendments to the Regulatory Reporting Part

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

1 APPLICATION AND DEFINITIONS

...

1.2 In this part, the following definitions shall apply:

...

operational incident

means either a single event or a series of linked events which disrupts the firm's operations such that it:

- (1) disrupts the delivery of a service to an end user external to the firm; or
- (2) impacts the availability, authenticity, integrity or confidentiality of information or data relating or belonging to such an end user.

permitted supplier

has the meaning given in Ring-fenced Bodies 1.2.

...

25 OPERATIONAL INCIDENT REPORTING

~~[Provision left blank]~~

25.1 This Chapter applies to:

- (1) a CRR firm;
- (2) a UK Solvency II firm;
- (3) in accordance with Insurance General Application 3, the Society, as modified by Chapter 27; and
- (4) in accordance with Insurance General Application 3, managing agents, as modified by Chapter 27.

25.2

- (1) A firm must submit a report to the PRA in accordance with the Reporting Fields Document as soon as is practicable after the occurrence of an operational incident which could pose a risk to:
 - (a) where the firm is, or is controlled by, an O-SII or is a relevant Solvency II firm, the stability of the UK financial system;
 - (b) the firm's safety and soundness; or
 - (c) in the case of an insurer, an appropriate degree of protection for those who are or may become the firm's policyholders.
- (2) For this initial phase of the report, a firm must submit to the PRA, so far as it is aware, the information specified in the Reporting Fields Document.

25.3 For the intermediate phase of the report, a *firm* must, so far as it is aware, submit to the *PRA* the additional information specified in the Reporting Fields Document, as soon as is practicable after any significant change in circumstances from that described in a report submitted under 25.2 or this rule (including the *operational incident* reported under 25.2 being resolved).

25.4 For the final phase of the report, a *firm* must submit to the *PRA* the additional information specified in the Reporting Fields Document:

- (1) within 30 *working days*, or
- (2) where this is impracticable, as soon as is practicable but in any event within 60 *working days*
of the *operational incident* reported under 25.2 being resolved.

25.5 A *firm* must submit the information required under this Chapter to the *PRA* by electronic means.

25.6 The Reporting Fields Document may be found [here](#).

26 MATERIAL THIRD-PARTY ARRANGEMENTS REGISTER

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26.1

- (1) A *firm* (except in the case of a *credit union* that has *total assets* of less than £50 million, a *third country firm* or a *non-directive firm*) must:
 - (a) maintain a register of information relating to its *material third-party arrangements*; and
 - (b) submit such information as specified in the Material Third-Party Arrangements Register annually to the *PRA* by electronic means.
- (2) A *firm* is not required to submit the information in (1)(b) if the following conditions are met:
 - (a) the product or service will be provided by a *person* within the same *group* as the *firm*;
and
 - (b) the *person* providing the product or service has not entered into an arrangement with a *person* outside the *group* for the provision of that product or service to the *firm*.
- (3) Where the *firm* is a *ring-fenced body*, (2) applies only if the *person* providing the product or service is a *permitted supplier*.

26.2 The Material Third-Party Arrangements Register may be found [here](#).

27 LLOYD'S

[Provision left blank]

27.1 Chapters 25 and 26 apply to the *Society* and *managing agents* separately.

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