

Step-in risk assessment: reporting instructions

Firms are expected to report their own assessment of their step-in risk in accordance with the Step-in Risk and the Regulatory Reporting Parts of the PRA Rulebook, data items SI0, SI1 and SI2 and supervisory statement (SS) 1/25 – Step-in Risk. These notes are to assist firms in completing data items SI700.00 (SI0), SI01.00 (SI1) and SI02.00 (SI2).

1. The reporting framework on step-in risk shall consist of three templates which include the following information:

- SI 700.00 - General information (SI0);
- SI 01.00 - Identification of step-in entities (SI1); and
- SI 02.00 - Detailed reporting of material step-in entities (SI2).

2. All firms should complete template SI0. Firms that identify a step-in entity should complete template SI1. Firms that identify a material step-in entity in SI1 should also complete template SI2.

3. All monetary amounts should be reported in absolute values rounded to the nearest whole number in reporting currency. Do not enter abbreviated values in thousands or other values.

4. All definitions are in line with the Glossary to the PRA Rulebook or the Step-in Risk Part of the PRA Rulebook, unless otherwise specified. For instance, a step-in entity is defined in the Glossary to PRA Rulebook. References to a firm should also be taken to refer to a CRR consolidation entity.

SI 700.00 - General information (SI0)

5. Firms should complete the following mandatory fields in General information (SI0):

- the basis of reporting (individual, consolidated or sub-consolidated) from the drop-down menu;
- at least one of the unique 'firm reference number' (FRN) or the LEI code of the firm (please include the LEI code where available);
- the name of the reporting firm;
- the reporting period start and end dates – these dates should coincide with the Internal Capital Adequacy Assessment (ICAAP) period. In particular, the reporting end date is the balance sheet end date used for purposes of the ICAAP assessment; and

- the reporting currency – firms should report in the currency of their ICAAP ie Pounds Sterling (GBP), US Dollars (USD), Euros (EUR), Canadian Dollars (CAD), Swiss Francs (CHF), Japanese Yen (JPY) or Swedish Krona (SEK).

Instructions for specific columns in SI1 and SI2

SI 01.00 - Identification of step-in entities (SI1):

Column number	Detailed instruction
General	Please report in template SI1 each step-in entity that has been identified.
0010	<p>Code:</p> <p>The code as part of a row identifier must be unique for each reported entity. For institutions and insurance undertakings, the code shall be the LEI code. For other entities the code shall be the LEI code, or if not available, a national code. The code shall be unique and used consistently across the templates and across time. The code shall always have a value.</p>
0020	<p>Type of code</p> <p>Please indicate the type of code – LEI code or national code – that has been used in column 0010 using the drop-down menu.</p>
0030	<p>Entity type:</p> <p>Please select an entity type from the drop-down list by choosing one of the following:</p> <ul style="list-style-type: none"> RMBS/CMBS issuer Covered bonds issuer CDOs/CLOs issuer TOBs issuer ABCP issuer Securities arbitrage conduit Structured investment vehicle Repackaging vehicle REIT Mutual fund

Column number	Detailed instruction
	<ul style="list-style-type: none"> • Hedge fund • Private equity fund • Finance company • Securities firm • Other <p>Descriptions of these entity types are set out in Annex 1 to SS1/25.</p>
0040	<p>If ‘other’ in 0030, please provide a description:</p> <p>Please include a description of the entity type of the firm in 0030 where the ‘other’ type has been selected.</p>
0050	<p>Total asset size of the entity</p> <p>Please include the total asset size of the step-in entity being reported.</p>
0060	<p>Typical contractual exposure to the entity</p> <p>Please include the typical contractual exposure to the step-in entity being reported.</p>
0070	<p>Is the entity material?</p> <p>Please use the drop-down list to indicate whether the step-in entity identified is material either individually or as part of a group of entities in combination or immaterial under the firm’s materiality policy that has been drawn up under the Step-in Risk Part of the PRA Rulebook. Please choose one of: Yes; No; or Yes, in combination.</p>
0075	<p>Materiality Level</p> <p>Please use the drop-down list to indicate the level at which the step-in entity has been identified as material where ‘Yes’ or ‘Yes, in combination’ has been selected in column 0070. Please choose one of: Consolidated/Sub-consolidated basis and PRA-authorized firm</p>

Column number	Detailed instruction
	basis; Consolidated/Sub-consolidated basis only; and PRA- authorised firm basis only.
0080	<p>Material entity group code (where applicable)</p> <p>Please create a group code to indicate which step-in entities are included in a specific group of two or more entities that have been reported as being material in combination (ie where 'Yes, in combination' has been chosen in column 0070). Please create individual codes for each set of entities that have been identified as being material in combination.</p>
0090	<p>Explanation if 'No' in 0070:</p> <p>Please include an explanation as to why the step-in entity was not considered material. Please discuss how this relates to the internal materiality policies set out by the firm.</p>

SI 02.00 - Detailed reporting of material step-in entities (SI2):

Column number	Detailed instruction
General	Please report in template SI2 each material step-in entity that has been identified in SI1.
0010	<p>Code:</p> <p>The code as part of a row identifier must be unique for each reported entity. For institutions and insurance undertakings, the code shall be the LEI code. For other entities the code shall be the LEI code, or if not available, a national code. The code shall be unique and used consistently across the templates and across time. The code shall always have a value.</p>
0020	<p>Type of code</p> <p>Please indicate the type of code – LEI code or national code – that has been used in column 0010 using the drop-down menu. This code type should match that reported in SI1 column 0020.</p>

Column number	Detailed instruction
0025	<p>Name of entity</p> <p>Please include the name of the material step-in entity being reported.</p>
0030	<p>Entity type</p> <p>Please select an entity type from the drop-down list by choosing one of the following:</p> <ul style="list-style-type: none">• RMBS/CMBS issuer• Covered bonds issuer• CDOs/CLOs issuer• TOBs issuer• ABCP issuer• Securities arbitrage conduit• Structured investment vehicle• Repackaging vehicle• REIT• Mutual fund• Hedge fund• Private equity fund• Finance company• Securities firm• Other <p>Descriptions of these entity types are set out in Annex 1 to SS1/25.</p>
0035	<p>Material entity group code (where applicable)</p> <p>Please report the group code relating to the material step-in entity where it has been identified as being material in combination with other entities. This code should match that was reported in S11 column 0080.</p>

Column number	Detailed instruction
0040	<p>Purpose and design</p> <p>Please include a description of the purpose and design of the material step-in entity, including at least a description of:</p> <ul style="list-style-type: none">• the activities carried out and administered by the material step-in entity; and• how decisions about the material step-in entity's activities are made.
0050	<p>Total asset size of the entity</p> <p>Please include the total asset size of the material step-in entity being reported.</p>
0060	<p>Methodology used to estimate potential impact</p> <p>Please describe the methodology used to estimate the potential impact of the material step-in entity on the firm.</p>
0070	<p>Type of support anticipated</p> <p>Please indicate whether the firm anticipates providing support in the form of capital, liquidity or both using the drop-down menu.</p>
0080	<p>Size of support anticipated (nominal)</p> <p>Please include the full value of the anticipated support in the reporting currency.</p>
0090-0120	<p>Step-in risk estimates</p> <p>The estimates for these columns should be based on the size of support anticipated reported in 0080. A firm may opt not to complete these columns where it has indicated that step-in risk is not significant for that entity or entities in combination in column 0290 (ie it has replied 'no' in that column).</p>

Column number	Detailed instruction
0130-0160	<p>Nature of relationship:</p> <p>Fill in the columns that apply with a detailed description of the relationship. At least one of these columns must be completed.</p>
0170-0295	<p>Risk indicator analysis:</p> <p>0170-0285: fill in the columns that are relevant to the material step-in entity with a detailed discussion and analysis of the risk. Detailed descriptions of the risk indicators are set out in SS1/25. For any risk indicators which the firm has determined are not applicable, enter N/A. Please include a description of any other indicator that has been used to identify step-in risk in column 0285.</p> <p>0290: based on the analysis conducted in 0170-0285, and having regard to the purpose and design of the material step-in entity, please report whether you consider the overall step-in risk to be significant by using the drop-down list. Further guidance on how to conclude whether the step-in risk is significant is included in SS1/25. Please choose one of: Yes; No; or Yes, in combination (where step-in risk is significant for a material step-in entity that is material as part of a group of entities in combination).</p> <p>0295: include a brief description as to why the firm decided that step-in risk was significant or insignificant for this material step-in entity.</p>
0300-0320	<p>Risk Management:</p> <p>Only complete these columns for a material step-in entity where step-in risk is significant, as reported in column 0290.</p>
0300-0310	<p>Risk mitigation:</p> <p>300: please describe what mitigants, if any, were used to address significant step-in risk, referring to the mitigants described in (SS1/25) as appropriate.</p>

Column number	Detailed instruction
	0310: if any, please provide the reference to the section in which this material step-in entity has been mentioned in an existing ICAAP/ILAAP.
0320	Next steps: Please describe what next steps will be considered to continue managing the risk identified.