

**CAPITAL REQUIREMENTS DIRECTIVE (GOVERNANCE) AMENDMENT
INSTRUMENT 2014**

Powers exercised

- A. The Prudential Regulation Authority 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);
 - (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.

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.

Commencement

- D. This instrument comes into force on 27 October 2014.

Amendments to the Handbook

- E. The Senior Management Arrangements, Systems and Controls sourcebook (SYSC) is amended in accordance with Annex A to this instrument.
- F. The Glossary is amended in accordance with Annex B to this instrument.

Notes and Guidance

- G. In the Annex to this instrument, the “notes” (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.
- H. The Prudential Regulation Authority gives as guidance each provision in the Annex marked with a G.

Citation

- I. This instrument may be cited as the Capital Requirements Directive (Governance) Amendment Instrument 2014.

By order of the Board of the Prudential Regulation Authority
22 October 2014

Annex A

Amendments to the Senior Management Arrangements, Systems and Control manual (SYSC)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

4 General organisational requirements

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4.3A CRR firms

Management body

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4.3A.6B **G** The limits on directorships set out in SYSC 4.3A.6R also apply to members of the management body of the UK consolidation group or non-EEA sub group in accordance with SYSC 12.1.13R. Individuals in any of the entities belonging to the UK consolidation group or non-EEA sub group are capable of forming part of this management body. For example, members of the management body of a non-CRR firm that is a parent financial holding company in a Member State and is a member of a UK consolidation group could be caught by the limits in SYSC 4.3A.6R (SYSC 12.1.14R). In particular, a person who requires approval under SUP 10B.6.2R or SUP 10B.6.4R because of the influence they exercise over the CRR firm is a member of the management body of the UK consolidation group or non-EEA sub group and therefore subject to the limit on directorships in SYSC 4.3A.6R.

[Note: article 91(3) and article 109(2) of the CRD]

Annex B

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

CRD

~~the *Capital Adequacy Directive* and the *Banking Consolidation Directive*.~~ Directive 2013/36/EU of the European Parliament and the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.