

## MIFIDPRU 2 Annex 3R

### Notification under MIFIDPRU 2.5.17R of the intended use of proportional consolidation in respect of a relevant financial undertaking

Details of Senior Manager responsible for this notification:

*If the notification is being made in respect of a MIFIDPRU investment firm or another SMCR firm, we would expect the individual responsible for it to hold a senior management function (SMF).*

Name of individual	
Job title / position	
Individual reference number (if applicable)	

1. Please provide the FRN and name of the UK parent entity:

FRN	UK parent entity name

2. Please provide details of the relevant financial undertaking(s) which are connected undertakings by virtue of a participation in accordance with MIFIDPRU 2.4.15R.

FRN	Name of relevant financial undertaking	Proportion included in prudential consolidation

3. Please confirm that the UK parent entity (A) satisfies the following conditions in MIFIDPRU 2.5.17R(2) in order to be able to apply proportional consolidation in relation to each relevant financial undertaking listed above (B) and that if requested, you can readily provide information to demonstrate compliance.
  - a. A's liability is limited to the share of capital that it holds in B;
  - b. The liability of the other shareholders or members of B ("participating undertakings") is clearly established by means of a legally binding and enforceable contract between A and all participating undertakings which:
    - i. limits the liability of the parties to the percentage of each shareholding;

- ii. clearly states that any potential losses arising from B will be borne by all shareholders or members proportionately to the share of capital held by each of them at such point in time;
    - iii. clarifies that any changes in the share of capital of the shareholders or members are subject to the explicit consent of all the shareholders or members; and
    - iv. specifies that should B be recapitalised, A shall inform the FCA in a timely manner about the progress of the recapitalisation process and that each shareholder or member shall be liable to contribute to the recapitalisation no more than an amount that is proportionate to its current share of capital held in A;
  - c. There are no other agreements or arrangements between any of the following that would override or undermine any of the conditions in b.:
    - i. some or all of the participating undertakings; or
    - ii. some or all of the participating undertakings and one or more third parties;
  - d. Any participating undertakings who do not form part of the same investment firm group as A either:
    - i. are subject to prudential supervision; or
    - ii. can reasonably be expected to have sufficient resources to fund any contribution for which they may be liable under b.iv.; and
  - e. The solvency of the participating undertakings is satisfactory and can be expected to remain so.
- Yes, we satisfy all above conditions and can readily provide information to demonstrate compliance.