

Chapter 12

Liquidity standards

12.1 Application

- 12.1.1** **R**
- 12.1.1A** **R** Subject to **■** BIPRU 12.1.2 R, **■** BIPRU 12 applies to:
- (1) an *IFPRU investment firm*; and
 - (2) a *BIPRU firm*.
- 12.1.2** **R** **■** BIPRU 12.5 (Individual Liquidity Adequacy Standards), **■** BIPRU 12.6 (Simplified ILAS), **■** BIPRU 12.7 (Liquid assets buffer) and **■** BIPRU 12.9 (Individual liquidity guidance and regulatory intervention points) apply only to an *ILAS BIPRU firm*.
- 12.1.3** **G** A *firm* that is an An exempt full scope IFPRU investment firm is not an *ILAS BIPRU firm*.
- 12.1.4** **R**
- (1) An exempt full scope IFPRU investment firm is a *full-scope IFPRU investment firm* that at all times has total net assets which are less than or equal to £50 million.
 - (2) In this *rule*, total net assets are the sum of a *firm's* total *trading book* assets and its total *non-trading book* assets, less the sum of its called up share capital, reserves and minority interests.
 - (3) For the purpose of (2), the value attributed to each of the specified balance sheet items must be that which is reported to the FCA in the *firm's* most recent *data item*.
- 12.1.5** **G** The effect of **■** BIPRU 12.1.4R is therefore to require the *firm* to sum the values of cell entries 20A and 20B in *data item* FSA001 and deduct from that total the sum of the values of cell entries 42, 43 and 44 in the same *data item*.
- 12.1.6** **G** There are some provisions in other sections of **■** BIPRU 12 which apply only to an *ILAS BIPRU firm*. Where this is the case, the provision in question says so.
- 12.1.7** **R** In relation to an *incoming EEA firm* or a *third country BIPRU firm*, this chapter applies only with respect to the activities of the *firm's UK branch*.