

**INTERIM PRUDENTIAL SOURCEBOOK FOR INVESTMENT BUSINESSES
(AMENDMENT NO 9) INSTRUMENT 2004**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the power in section 157 (Guidance) of the Financial Services and Markets Act 2000.

Commencement

- B. This instrument comes into force on 1 August 2004.

Amendments to the Interim Prudential sourcebook for investment businesses

- C. The Interim Prudential sourcebook for investment businesses (IPRU(INV)) is amended in accordance with the Annex to this instrument.

Citation

- D. This instrument may be cited as the Interim Prudential Sourcebook for Investment Businesses (Amendment No 9) Instrument 2004.

By order of the Board
17 June 2004

Annex

Amendments to the Interim Prudential sourcebook for investment businesses

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

Amend IPRU(INV), chapter 5 as follows:

5.7.1(6)(f) G Rule 5.7.1(4)(e) refers to group large exposures, which should be measured against group consolidated own funds or (if this would result in all exposures being classified as large exposures) by aggregating all the exposures of the individual entities in the group and measuring them against the own funds of the individual firm giving rise to the consolidated supervision requirement. If there is more than one firm in the group giving rise to the consolidated supervision requirement, the group large exposures should be measured against the firm with the smallest own funds.

...

5.7.2(4) G *A firm's parent is a financial holding company* if it carries out mainly *listed activities* or if its main business is to acquire holdings in companies undertaking these activities. For this purpose, the *FSA* interprets the phrases 'mainly' or 'main business' to mean where the balance of business, i.e. is over 50% of the relevant group or sub-group's balance sheet (measured on the basis of total assets) or profit and loss statement (measured on the basis of gross income).