

## **ADVANCED MEASUREMENT APPROACH (GUIDELINES) INSTRUMENT 2012**

### **Powers exercised**

- A. The Financial Services 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 138 (General rule-making power);
  - (2) section 156 (General supplementary powers); and
  - (3) section 157(1) (Guidance).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

### **Commencement**

- C. This instrument comes into force on 1 October 2012.

### **Amendments to the Handbook**

- D. The Senior Management Arrangements, Systems and Controls sourcebook (SYSC) is amended in accordance with Annex A to this instrument.
- E. The Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU) is amended in accordance with Annex B to this instrument.

### **Citation**

- F. This instrument may be cited as the Advanced Measurement Approach (Guidelines) Instrument 2012.

By order of the Board  
27 September 2012

**Annex A****Amendments to the Senior Management Arrangements, Systems, and Controls sourcebook (SYSC)**

In this Annex, underlining indicates new text.

**7.1 Risk control**

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Operational risk

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**7.1.16B** **G** In meeting the general standards referred to in SYSC 7.1.16R, a firm with AMA approval should be able to demonstrate to the FSA that it has considered and complies with Section III of the European Banking Authority's Guidelines on the Advanced Measurement Approach (AMA) – Extensions and Changes published in January 2012. These can be found at [http://eba.europa.eu/cebs/media/Publications/Standards%20and%20Guidelines/2012/EBA-BS-2011-209-final-\(EBA-GL-on-AMA-extensions-and-changes\).pdf](http://eba.europa.eu/cebs/media/Publications/Standards%20and%20Guidelines/2012/EBA-BS-2011-209-final-(EBA-GL-on-AMA-extensions-and-changes).pdf)

**Annex B****Amendments to the Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU)**

In this Annex, underlining indicates new text.

**6.5 Operational risk: Advanced measurement approach**

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Minimum standards

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**6.5.5B** G In meeting the general risk management standards referred to in *BIPRU* 6.5.5R(1), a *firm* with AMA approval should be able to demonstrate to the FSA that it has considered and complies with Section III of the European Banking Authority’s Guidelines on the Advanced Measurement Approach (AMA) – Extensions and Changes published in January 2012. These can be found at [http://eba.europa.eu/cebs/media/Publications/Standards%20and%20Guidelines/2012/EBA-BS-2011-209-final-\(EBA-GL-on-AMA-extensions-and-changes\).pdf](http://eba.europa.eu/cebs/media/Publications/Standards%20and%20Guidelines/2012/EBA-BS-2011-209-final-(EBA-GL-on-AMA-extensions-and-changes).pdf)