**Application under MIFIDPRU 3.3.3R for permission to classify an issuance of capital instrument as common equity tier 1 (CET1) capital**



**Full name of applicant firm**

|  |
| --- |
|  |

**Important information you should read before completing this form**

This application form should be completed by MIFIDPRU investment firms and UK parent entities applying for permission under MIFIDPRU 3.3.3(1)R to classify an issuance of capital instrument as common equity tier 1 (CET1) capital.

If the application concerns more than one firm in the investment firm group, please submit separate applications for each firm.

For applications on a consolidated basis, references to a firm or an institution should be interpreted as to a consolidated situation of the UK parent.

You must ensure you include all relevant information in the form and provide supporting information if required. If you do not, your application will be delayed while you answer further questions from us.

Please keep a copy of the form you complete and the supporting documents that you include with this application form for future reference.

The FCA process personal data in line with the requirements of The General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018. For further information about the way we use the personal data collected in this form, please read our privacy notice available on our website: FCA : [www.fca.org.uk/privacy](http://www.fca.org.uk/privacy)

|  |  |
| --- | --- |
| 1 | Contact details |

**1.1 Details of Senior Manager responsible for this application**

If the application 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).

|  |  |
| --- | --- |
| Title |  |

|  |  |
| --- | --- |
| First names |  |

|  |  |
| --- | --- |
| Surname |  |

|  |  |
| --- | --- |
| Job title /position |  |

|  |  |
| --- | --- |
| Individual reference number (if applicable) |  |

|  |  |
| --- | --- |
| 2 | About the capital instruments being issued |

**2.1 Please confirm which of the following the applicant firm is:**

MIFIDPRU investment firm that is not a consolidating UK parent entity or a GCT parent undertaking

MIFIDPRU investment firm that is a consolidating UK parent entity

MIFIDPRU investment firm that is a GCT parent undertaking

Consolidating UK parent entity (other than a MIFIDPRU investment firm)

GCT parent undertaking (other than a MIFIDPRU investment firm)

**2.2 For the instrument you would like to classify as CET 1 capital, please provide the following information:**

Type of instrument (eg ordinary shares, partnership capital, etc.)

|  |
| --- |
|  |

If there is more than one class of the instrument, please list the different instrument classes

|  |
| --- |
|  |

Total number of shares/units of instrument that have been issued or will be issued

|  |
| --- |
|  |

Nominal value per share/unit of instrument

|  |
| --- |
| £ |

Share premium per share, if applicable

|  |
| --- |
| £ |

Total amount of capital being raised

|  |
| --- |
| £ |

Proposed date to be issued (dd/mm/yyyy)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | / |  |  | / |  |  |  |  |

Total expected CET1 after the inclusion of the amount to which this application relates (please complete for all that apply)

|  |  |
| --- | --- |
| MIFIDPRU investment firm (solo CET1) | £ |
| GCT parent undertaking (expected value of own funds instruments as specified in MIFIDPRU 2.6.2R(1)) | £ |
| Consolidating UK parent undertaking basis (consolidated CET1) | £ |

**2.3 For capital instruments to qualify as CET1 instruments, the following conditions must be met (see article 28 of the UK CRR). Please confirm whether these conditions are met:**

**a) The instruments are issued directly by your institution, with prior approval of the owners or, if permitted by national law, the management body of the institution**

Yes

No

**b) The instruments are paid up and their purchase is not funded directly or indirectly by your institution (indirect funding is defined in MIFIDPRU 3 Annex 7.20R)**

Yes

No

**c) The instruments meet all of the following conditions as regards their classification**

1. **they qualify as capital within the meaning of Art 28(1)(c)(i) of the UK CRR**

Yes

No

1. **they are classified as equity within the meaning of the applicable accounting framework:**

Yes

No

1. **they are classified as equity capital for the purposes of determining balance sheet insolvency, where applicable under national insolvency law**

Yes

No

**d) The instruments are clearly and separately disclosed on the balance sheet in the financial statements of your institution**

Yes

No

**e) The instruments are perpetual**

Yes

No

**f) The principal amount of the instruments may not be reduced or repaid except in the following cases:**

1. the liquidation of your institution; or
2. discretionary repurchases of the instruments or other discretionary means of reducing capital (e.g. call, redemption or repayment), where your institution has been granted prior permission of the competent authority under article 77 of the UK CRR:

Yes

No

**g) The provisions governing the instruments do not indicate expressly or implicitly that the principal amount of the instruments would or might be reduced or repaid other than in the liquidation of your institution, and your institution does not otherwise provide such an indication prior to or at issuance of the instruments:**

Yes

No

**h) The instruments meet the following conditions regarding distributions:**

1. **there is no preferential distribution treatment regarding the order of distribution payments, including in relation to other Common Equity Tier 1 instruments, and the terms governing the instruments do not provide preferential rights to payment of distributions**

Yes

No

1. **distributions to holders of the instruments may be paid only out of distributable items**

Yes

No

1. **the conditions governing the instruments do not include a cap or other restriction on the maximum level of distributions**

Yes

No

1. **the level of distributions is not determined on the basis of the amount for which the instruments were purchased at issuance**

Yes

No

1. **the conditions governing the instruments do not include any obligation for your institution to make distributions to their holders and your institution is not otherwise subject to such an obligation**

Yes

No

1. **non-payment of distributions does not constitute an event of default of your institution**

Yes

No

1. **the cancellation of distributions imposes no restrictions on your institution**

Yes

No

**i) Compared to all the capital instruments issued by your institution, the instruments absorb the first and proportionately greatest share of losses as they occur, and each instrument absorbs losses to the same degree as all other Common Equity Tier 1 instruments**

Yes

No

**j) The instruments rank below all other claims in the event of insolvency or liquidation of your institution**

Yes

No

**k) The instruments entitle their owners to a claim on the residual assets of your institution, which, in the event of its liquidation and after the payment of all senior claims, is proportionate to the amount of the instruments issued and is not fixed or subject to a cap**

Yes

No

**l) The instruments are not secured, or subject to a guarantee that enhances the seniority of the claim by any of the following: (Answer “yes” if the instruments are not secured in this way)**

1. your institution or its subsidiaries
2. the parent undertaking of your institution or its subsidiaries
3. the parent financial holding company or its subsidiaries
4. the mixed activity holding company or its subsidiaries
5. the mixed financial holding company and its subsidiaries
6. any undertaking that has close links with the entities referred to in points i. to v.

Yes

No

**m) The instruments are not subject to any arrangement, contractual or otherwise, that enhances the seniority of claims under the instruments in insolvency or liquidation: (Answer “yes” if the instruments are not subject to any arrangement in this way)**

Yes

No

Partnership Capital

This section should only be completed by partnerships.

**2.4 Is the capital contributed in accordance with MIFIDPRU 3.3.15R or MIFIDPRU 3.2.16R?**

Yes

No

Material on how UK CRR article 28(1)(e) and (f) may be complied with can be found in MIFIDPRU 3.3.15R and 3.3.16R.

**2.5 Please confirm whether the capital issuance to which this application relates meets the criteria required by the UK CRR (as applied by MIFIDPRU 3), including any relevant requirements in MIFIDPRU 3 Annex 7R.**

Yes

No

Please note that the FCA may request a copy of the terms of the instrument, or further information.