

**Application under MIFIDPRU 4.11.9R for permission to exclude positions taken to hedge against the adverse effect of the exchange rate on the own funds or an item deducted from capital from net open currency positions for the purpose of article 352 of the UK CRR**

**Full name of applicant firm**

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

This application form must be completed by MIFIDPRU investment firms who wish to exclude from their net open currency positions a position or positions designed to hedge foreign exchange (FX) risks for the purposes of their own funds requirement or for items deducted from own funds.

Consolidating UK parent entities must apply for this permission in respect of exclusion of a position or positions from the consolidated net FX requirement.

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 refer to MIFIDPRU 4.11 and the FCA's IFPR webpage which includes links to all our IFPR related publications to date: <https://www.fca.org.uk/firms/investment-firms-prudential-regime-ifpr> .

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)

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| 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) |  |

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| --- | --- |
| 2 | About this permission |

**2.1 Please confirm in respect of which of the following this application is made.**

Exclusion of a position or positions from the individual net FX requirement of one or more MIFIDPRU investment firm in the same group only

Exclusion of a position or positions from the consolidated net FX requirement only

Exclusion of a position or positions from both the individual and consolidated net FX requirement

**2.2 Please list** **all MIFIDPRU investment firms in respect of whose individual net FX requirement this application is a made.**

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| --- | --- |
| **FRN** | **MIFIDPRU investment firm name** |
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For group applications, the section of the form that follows (Questions 2.3-2.6) must be completed separately for each entity requiring the permission, including for the consolidated situation of the UK parent if the application is also being made on a consolidated basis.

**2.3 Please confirm the FRN and name of the MIFIDPRU investment firm or consolidating UK parent this section relates to.**

|  |  |
| --- | --- |
| FRN |  |

|  |  |
| --- | --- |
| Firm name |  |

**2.4 Please confirm to which of the following this application relates.**

Positions which are deliberately taken in order to hedge against the adverse effect of the exchange rate on the firm’s (or for an application on a consolidated basis, the group’s) own funds requirement

Positions which are deliberately taken in order to hedge against the adverse effect of the exchange rate on an item which the firm (or for an application on a consolidated basis, the group) has deducted from its own capital

**2.5 Please describe the positions requested to be excluded.**

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**2.6 For each of the statements in the below table, please confirm whether it is met and provide further information to demonstrate how it is met.**

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| **Statement** | **Meets Statement?** | **Rationale** Please demonstrate how the statement is met by providing supporting commentary and evidence |
| a) Structural FX positions are deliberately taken in order to protect capital adequacy ratios against adverse movements in FX rates. | Yes  No |  |
| b) Positions are of a non-trading or structural nature. | Yes  No |  |
| c) Mismatches resulting in an open position are avoided as much as possible. | Yes  No |  |
| d) Positions are monitored proactively and on a regular basis to detect and remediate mismatches, where applicable. | Yes  No |  |
| e) Positions are accounted for so that capital ratios are protected. | Yes  No |  |
| f) Any residual risks arising from structural FX positions are considered and capitalised in the ICARA assessment of the firm. | Yes  No |  |
| g) Any residual risks arising from structural FX positions are avoided as far as possible. | Yes  No |  |
| h) Policies and procedures are clearly articulated and are made available to the Board and to regulators on an annual basis. | Yes  No |  |
| i) The structural FX hedging strategy is clearly articulated to investors and is included in MIFIDPRU 8 disclosures. | Yes  No |  |
| j) Books containing structural FX positions are segregated from other trading activities. | Yes  No |  |
| k) Traders’ remuneration structures do not in any way incentivise structural FX positions becoming a profit centre. | Yes  No |  |
| l) Oversight of structural FX positions is carried out by the appropriate committees of the Boards of both the foreign entity and the group on at least a quarterly basis. | Yes  No |  |