

Notification template for Article 131 CRD – Global Systemically Important Institutions (G-SIIs)

Please send this template to

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1. Notifying national authority											
1.1 Name of the notifying authority	Prudential Regulation Authority (PRA)										
2. Description of the measure											
2.1 Concerned institution(s)	<p>The PRA has designated the following institutions as G-SIIs:</p> <table border="1"> <thead> <tr> <th>Institution</th> <th>LEI code</th> </tr> </thead> <tbody> <tr> <td>HSBC Holdings Plc</td> <td>MLU0ZO3ML4LN2LL2TL39</td> </tr> <tr> <td>Barclays Plc</td> <td>G5GSEF7VJP5I7OUK5573</td> </tr> <tr> <td>The Royal Bank of Scotland Group Public Limited Company</td> <td>2138005O9XJIN4JPN90</td> </tr> <tr> <td>Standard Chartered Plc</td> <td>U4LOSYZ7YG4W3S5F2G91</td> </tr> </tbody> </table>	Institution	LEI code	HSBC Holdings Plc	MLU0ZO3ML4LN2LL2TL39	Barclays Plc	G5GSEF7VJP5I7OUK5573	The Royal Bank of Scotland Group Public Limited Company	2138005O9XJIN4JPN90	Standard Chartered Plc	U4LOSYZ7YG4W3S5F2G91
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2.2 Level of the buffer applied	<p>The CET1 buffers applied to the above institutions are:</p> <table border="1"> <thead> <tr> <th>Institution</th> <th>Buffer</th> </tr> </thead> <tbody> <tr> <td>HSBC</td> <td>2.0%</td> </tr> <tr> <td>Barclays</td> <td>1.5%</td> </tr> <tr> <td>RBS</td> <td>1.0%</td> </tr> <tr> <td>Standard Chartered</td> <td>1.0%</td> </tr> </tbody> </table>	Institution	Buffer	HSBC	2.0%	Barclays	1.5%	RBS	1.0%	Standard Chartered	1.0%
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2.3 Names of subsidiaries	All institutions identified as G-SIIs have also been identified as O-SIIs.										
3. Timing of the measure											
3.1 Timing of the Decision	7 December 2016										

3.2 Timing of the Publication	7 December 2016																														
3.3 Disclosure	The PRA discloses its list of G-SIIs on its CRD IV updates page.																														
3.4 Timing of Application	1 January 2018																														
3.5 Phasing in	Institutions will be subject to overall phase-in arrangements for the G-SII framework. They must hold 75% of their G-SII buffer from 1 January 2018, and the full amount from 1 January 2019.																														
4. Reason for activation of the G-SII buffer																															
4.1 Indicators used for designation of the G-SII (Article 131.2)	<table border="1"> <thead> <tr> <th>Institution</th> <th>Size</th> <th>Interconnectedness</th> <th>Substitutability</th> <th>Complexity</th> <th>Cross-border activity</th> </tr> </thead> <tbody> <tr> <td>HSBC</td> <td>357</td> <td>290</td> <td>379</td> <td>319</td> <td>735</td> </tr> <tr> <td>Barclays</td> <td>195</td> <td>239</td> <td>253</td> <td>493</td> <td>361</td> </tr> <tr> <td>RBS</td> <td>133</td> <td>164</td> <td>109</td> <td>218</td> <td>148</td> </tr> <tr> <td>Standard Chartered</td> <td>93</td> <td>137</td> <td>82</td> <td>93</td> <td>262</td> </tr> </tbody> </table>	Institution	Size	Interconnectedness	Substitutability	Complexity	Cross-border activity	HSBC	357	290	379	319	735	Barclays	195	239	253	493	361	RBS	133	164	109	218	148	Standard Chartered	93	137	82	93	262
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4.2 Scores and buckets (Article 131.2 and 131.9)	<table border="1"> <thead> <tr> <th>Institution</th> <th>Score</th> <th>Bucket</th> <th>Buffer</th> <th>Supervisory Judgement</th> </tr> </thead> <tbody> <tr> <td>HSBC</td> <td>416</td> <td>3</td> <td>2.0%</td> <td>No</td> </tr> <tr> <td>Barclays</td> <td>308</td> <td>2</td> <td>1.5%</td> <td>No</td> </tr> <tr> <td>RBS</td> <td>154</td> <td>1</td> <td>1.0%</td> <td>No</td> </tr> <tr> <td>Standard Chartered</td> <td>133</td> <td>1</td> <td>1.0%</td> <td>No</td> </tr> </tbody> </table>	Institution	Score	Bucket	Buffer	Supervisory Judgement	HSBC	416	3	2.0%	No	Barclays	308	2	1.5%	No	RBS	154	1	1.0%	No	Standard Chartered	133	1	1.0%	No					
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5. Cross-border and cross-sector impact of the measure																															
5.1 Assessment of cross-border effects and the likely impact on the internal market (Recommendation ESRB/2015/2)	Capital buffers will increase the resilience of UK G-SIIs, which will increase the overall robustness of the financial system in the UK and in other jurisdictions in which the firms operate, a number of which are within the internal market. Increased resilience of G-SIIs also reduces the risk of potential disruptions to the real economy in the event of these firms falling into distress. Owing to the small changes in buffers and the 14 month implementation period, we expect no material cross-border effects.																														
5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	We expect minimal scope for leakage and regulatory arbitrage. The application of capital buffers on a consolidated basis limits the scope for leakage.																														

6. Combinations and timing of the G-SII notified	
6.1 combinations between G-SII and O-SII buffers (Article 131.14)	All four institutions identified as G-SIIs have also been identified as O-SIIs in the UK on a consolidated basis but no O-SII buffer has been set.
6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)	The PRA intends to set the SRB from 2019, therefore at this point there is no interaction between the G-SII buffer and the SRB.
6.3 Interaction with other measures	Firms subject to a G-SII buffer will also be subject to an additional leverage ratio buffer (ALRB). In the existing UK leverage ratio framework, this buffer rate is calibrated at 35% of the G-SII buffer rate.
7. Miscellaneous	
7.1 Contact person(s) at notifying authority	<p>Anna Jernova Tel: +44 20 3461 7574. Email: Anna.Jernova@bankofengland.co.uk</p> <p>Simon Pittaway Tel: +44 20 3461 6122 Email: Simon.Pittaway@bankofengland.co.uk</p>
7.2 Any other relevant information	