

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

Please send this template to

- notifications@esrb.europa.eu when notifying the ESRB;
- macropru.notifications@ecb.europa.eu when notifying the ECB;
- notifications@eba.europa.eu when notifying the EBA.

Emailing this template to the above-mentioned addresses constitutes an official notification, no further official letter is required. In order to facilitate the work of the notified authorities, please send the notification template in a format that allows electronically copying the information.

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>MLU0Z03ML4LN2LL2TL39</td> </tr> <tr> <td>Barclays Plc</td> <td>213800LBQA1Y9L22JB70</td> </tr> <tr> <td>Standard Chartered Plc</td> <td>U4LOSYZ7YG4W3S5F2G91</td> </tr> </tbody> </table>	Institution	LEI code	HSBC Holdings Plc	MLU0Z03ML4LN2LL2TL39	Barclays Plc	213800LBQA1Y9L22JB70	Standard Chartered Plc	U4LOSYZ7YG4W3S5F2G91
Institution	LEI code								
HSBC Holdings Plc	MLU0Z03ML4LN2LL2TL39								
Barclays Plc	213800LBQA1Y9L22JB70								
Standard Chartered Plc	U4LOSYZ7YG4W3S5F2G91								
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>Standard Chartered</td> <td>1.0%</td> </tr> </tbody> </table>	Institution	Buffer	HSBC	2.0%	Barclays	1.5%	Standard Chartered	1.0%
Institution	Buffer								
HSBC	2.0%								
Barclays	1.5%								
Standard Chartered	1.0%								
2.3 Names of subsidiaries	All institutions identified as G-SIIs have also been identified as O-SIIs by the PRA at the same level of consolidation. No subsidiaries of the institutions identified as G-SIIs have been identified as O-SIIs by the PRA.								
3. Timing of the measure									
3.1 Timing of the Decision	9 November 2020								
3.2 Timing of the Publication	27 November 2020 - PRA Publication								
3.3 Disclosure	The PRA discloses its list of G-SIIs on its CRD IV updates page ¹ .								

¹ From 28/29 December 2020, this information will be available on the CRD V equivalent of this page.

3.4 Timing of Application	1 January 2022					
3.5 Phasing in	The buffers announced in this notification will apply in full from 1 January 2022.					
4. Reason for activation of the G-SII buffer						
4.1 Indicators used for designation of the G-SII (Article 131.2)	Institution	Size	Interconnectedness	Substitutability	Complexity	Cross-jurisdictional activity
	HSBC	304	284	356	324	697
	Barclays Standard Chartered	165	201	227	397	384
		93	138	90	105	271
4.2 Scores and buckets (Article 131.2 and 131.9)	Institution	Score	Bucket	Buffer	Supervisory judgement	
		393				
	HSBC		3	2.0%	No	
	Barclays Standard Chartered	275	2	1.5%	No	
	140	1	1.0%	No		
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.					
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 three institutions identified as G-SIIs have also been identified as O-SIIs in the UK on a consolidated basis.

<p>6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)</p>	<p>For two of the G-SIIs, an SRB is applied on a sub-consolidated basis for their Ring Fenced Banks (RFBs):</p> <table border="1" data-bbox="576 286 1401 734"> <thead> <tr> <th>RFB sub-group</th> <th>RFBs covered by the SRB</th> <th>Buffer rate</th> </tr> </thead> <tbody> <tr> <td>Barclays RFB sub-group</td> <td>Barclays Bank UK Plc</td> <td>1%</td> </tr> <tr> <td>HSBC RFB sub-group</td> <td> HSBC UK Bank Plc Marks and Spencer Financial Services Plc HSBC Private Bank (UK) Ltd HSBC Trust Company (UK) Ltd </td> <td>1%</td> </tr> </tbody> </table> <p>The SRB applies to all RWAs.</p>	RFB sub-group	RFBs covered by the SRB	Buffer rate	Barclays RFB sub-group	Barclays Bank UK Plc	1%	HSBC RFB sub-group	HSBC UK Bank Plc Marks and Spencer Financial Services Plc HSBC Private Bank (UK) Ltd HSBC Trust Company (UK) Ltd	1%
RFB sub-group	RFBs covered by the SRB	Buffer rate								
Barclays RFB sub-group	Barclays Bank UK Plc	1%								
HSBC RFB sub-group	HSBC UK Bank Plc Marks and Spencer Financial Services Plc HSBC Private Bank (UK) Ltd HSBC Trust Company (UK) Ltd	1%								
<p>6.3 Interaction with other measures</p>	<p>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.</p>									
<p>7. Miscellaneous</p>										
<p>7.1 Contact person(s) at notifying authority</p>	<p>Teresa Wukovits-Votzi Tel: +44 20 3461 3907 Email: Teresa.wukovits-votzi@bankofengland.co.uk</p>									
<p>7.2 Any other relevant information</p>										