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STATUTORY INSTRUMENTS

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**2014 No. 894**

**The Capital Requirements (Capital Buffers and  
Macro-prudential Measures) Regulations 2014**

**PART 1**

Introductory provisions

**Citation, commencement and cessation**

**1.**—(1) These Regulations may be cited as the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014.

(2) Regulations 1 to 3, 7 to 13, 15 to 20, and 36 come into force on 1st May 2014.

(3) Regulations 4 to 6, 14, and 21 to 34 come into force on 1st January 2016.

(4) Regulation 35 comes into force on—

(a) 1st May 2014 so far as it relates to the institution-specific countercyclical capital buffer;  
and

(b) 1st January 2016 so far as it relates to the capital conservation buffer and the G-SII buffer.

(5) Regulations 13 and 19 cease to have effect on 1st January 2016.

**Interpretation**

**2.**—(1) In these Regulations—

“appropriate regulator” means the PRA in relation to a PRA-authorized person and the FCA in relation to any other person;

“the Bank” means the Bank of England;

“capital conservation buffer” has the meaning given by Article 128(1) of the capital requirements directive;

“combined buffer requirement” has the meaning given by Article 128(6) of the capital requirements directive, but with point (c) (reference to O-SII buffer) omitted;

“common equity tier 1 capital” has the same meaning as in Chapter 2 of Title 1 of Part 2 of the capital requirements regulation;

“countercyclical capital buffer” has the same meaning as in Articles 130, and 135 to 140, of the capital requirements directive;

“EEA parent financial holding company” means a parent financial holding company in an EEA State which is not a subsidiary of an institution authorized in an EEA State, or of another financial holding company or mixed financial holding company set up in an EEA State<sup>(1)</sup>;

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(1) The terms “authorisation”, “financial holding company”, “institution”, “mixed financial holding company” and “subsidiary” are defined in Article 4(1) of the capital requirements regulation and apply here by virtue of regulation 2(2)(a).

“EEA parent institution” means a parent institution in an EEA State which is not a subsidiary of another institution authorised in an EEA State, or of a financial holding company or mixed financial holding company set up in an EEA State(2);

“EEA parent mixed financial holding company” means a parent mixed financial holding company in an EEA State which is not a subsidiary of an institution authorised in an EEA State, or of another financial holding company or mixed financial holding company set up in an EEA State(3);

“ESRB” means the European Systemic Risk Board established under Regulation (EU) 1092/2010 of 24 November 2010 of the European Parliament and of the Council on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board(4);

“FPC” means the Financial Policy Committee of the Bank of England(5);

“FSMA” means the Financial Services and Markets Act 2000(6);

“G-SII” means a global systemically important institution(7);

“G-SII buffer” has the meaning given by Article 128(3) of the capital requirements directive;

“institution-specific countercyclical capital buffer” has the meaning given by Article 128(2) of the capital requirements directive;

“O-SII” means other systemically important institution(8);

“O-SII buffer” has the meaning given by Article 128(4) of the capital requirements directive;

(2) Except as provided by paragraph (1)—

(a) any expression used in these Regulations which is defined in Article 4 (definitions) of the capital requirements regulation or Article 3 (definitions) of the capital requirements directive has the meaning which it is given in that Article(9);

(b) any other expression used in these Regulations which is defined in section 417 (definitions) of the Financial Services and Markets Act 2000(10) has the meaning given by that section.

(3) A reference in these Regulations to an institution maintaining a buffer has the same meaning as in Articles 128 to 142 of the capital requirements directive.

(4) A reference in these Regulations to small or medium sized investment firms must be construed in accordance with Commission Recommendation 2003/361/EC of 6th May 2003 concerning the definition of micro, small and medium-sized enterprises(11).

(2) The terms “authorisation”, “financial holding company”, “institution”, “mixed financial holding company” and “subsidiary” are defined in Article 4(1) of the capital requirements regulation and apply here by virtue of regulation 2(2)(a).

(3) The terms “authorisation”, “financial holding company”, “institution”, “mixed financial holding company” and “subsidiary” are defined in Article 4(1) of the capital requirements regulation and apply here by virtue of regulation 2(2)(a).

(4) OJ no L331, 15/12/2010, p1.

(5) The Financial Policy Committee was established by section 9B of the Bank of England Act 1998 (c.11), which was inserted by section 4(1) of the Financial Services Act 2012 (c. 21).

(6) 2000 c. 8.

(7) The terms “G-SII” and “global systemically important institution” are used in Article 131 of the capital requirements directive. “Systemically important institution” is defined in Article 3(30) of the capital requirements directive and applies here by virtue of regulation 2(2)(a).

(8) The terms “O-SII” and “other systemically important institution” are used in Article 131 of the capital requirements directive. “Systemically important institution” is defined in Article 3(30) of the capital requirements directive and applies here by virtue of regulation 2(2)(a).

(9) “authorisation”, “consolidated basis”, “financial holding company”, “institution”, “investment firm”, “mixed financial holding company”, “sub-consolidated basis” and “subsidiary” are all defined in these Articles.

(10) 2000 c.8. Section 417 was amended by section 48(1) of the Financial Services Act 2012 (c. 21), S.I. 2010/22, S.I. 2012/916 and S.I. 2013/3115. There are other amending enactments, but none is relevant to these Regulations. Section 417 includes definitions of “capital requirements directive”, “capital requirements regulation” and “Tribunal”.

(11) OJ no L 124, 20.5.2003, p36.

**Conferral of functions or discretion on the FPC**

3. Where these Regulations confer a function or discretion on the FPC, the FPC must exercise that function or discretion.

**Appeals: application of Part 9 of the Financial Services and Markets Act 2000**

4. Part 9 of FSMA (hearings and appeals) applies to a reference to the Tribunal under these regulations as it applies to a reference to the Tribunal under an Act.