

**GENERAL PRUDENTIAL SOURCEBOOK (CAPITAL ADEQUACY  
CALCULATIONS FOR FINANCIAL CONGLOMERATES) (AMENDMENT)  
INSTRUMENT 2008**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power);
  - (2) section 150(2) (Actions for damages); and
  - (3) section 156 (General supplementary powers).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 6 July 2008.

**Amendments to the Handbook**

- D. The General Prudential sourcebook (GENPRU) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the General Prudential Sourcebook (Capital Adequacy Calculations for Financial Conglomerates) (Amendment) Instrument 2008.

By order of the Board  
26 June 2008

## Annex

### Amendments to the General Prudential sourcebook (GENPRU)

In this Annex, underlining indicates new text.

GENPRU 3 Annex 1 Capital adequacy calculations for financial conglomerates (GENPRU 3.1.26R and GENPRU 3.1.29R)

...

2 Table: PART 2: Method 2 of Annex I of the Financial Groups Directive (Deduction and aggregation Method)

Capital resources	2.1	<p>The <i>conglomerate capital resources</i> of a <i>financial conglomerate</i> calculated in accordance with this Part are equal to the sum of the following amounts (so far as they qualify under paragraph 2.3) for each member of the <i>overall financial sector</i>:</p> <p>(1) (for the <i>person</i> at the head of the <i>financial conglomerate</i>) its <i>solo capital resources</i>;</p> <p>(2) (for any other member):</p> <p>(a) its <i>solo capital resources</i>; less</p> <p>(b) the book value of the <i>financial conglomerate's</i> investment in that member, <u>to the extent not already deducted in the calculation of the <i>solo capital resources</i> for:</u></p> <p><u>(i) the <i>person</i> at the head of the <i>financial conglomerate</i>; or</u></p> <p><u>(ii) any other member.</u></p>
-------------------	-----	--

...

...