Draft Regulations laid before Parliament under sections 83(3) and 84(3) and (5) of the Financial Services and Markets Act 2023, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2025 No.

FINANCIAL SERVICES AND MARKETS

The Financial Services and Markets Act 2023 (Capital Buffers and Macro-prudential Measures) (Consequential Amendments) Regulations 2025

Made - - - -	***
Coming into force - -	*30th November 2025*

The Treasury make these Regulations in exercise of the powers conferred by sections 83(1) and (2) and 84(2) of the Financial Services and Markets Act 2023(**a**).

A draft of these Regulations has been laid before and approved by a resolution of each House of Parliament in accordance with sections 83(3) and 84(3) and (5) of that Act.

PART 1

Introduction

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Financial Services and Markets Act 2023 (Capital Buffers and Macro-prudential Measures) (Consequential Amendments) Regulations 2025.

(2) These Regulations come into force on 30th November 2025(**b**).

(3) These Regulations extend to England and Wales, Scotland and Northern Ireland.

(**a**) 2023 c. 29.

(**b**) These Regulations make consequential amendments relating to the revocation and restatement of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014 (S.I. 2014/894). The revocation of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014 by section 1 of the Financial Services and Markets Act 2023 will come into force on 31st July 2025 by virtue of regulation 3 of the Financial Services and Markets Act 2023 (Commencement No. 9) Regulations 2025 (S.I. 2025/572 (C. 25)). Provisions of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014 are restated by the Capital Buffers and Macro-prudential Measures Regulations 2025 (S.I. 2025/653), which are to come into force on 31st July 2025.

PART 2

Amendment of primary legislation

Bank of England Act 1998

2. In section 9U(3) of the Bank of England Act 1998 (publication of record of meetings)(**a**), in paragraph (d), for "Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014" substitute "Capital Buffers and Macro-prudential Measures Regulations 2025 (S.I. 2025/653)".

PART 3

Amendment of secondary legislation

Bank of England Act 1998 (Macro-prudential Measures) (No. 2) Order 2015

3. In article 2(1) of the Bank of England Act 1998 (Macro-prudential Measures) (No. 2) Order 2015 (interpretation)(**b**)—

(a) in the definition of "G-SII", omit "pursuant to Part 4 of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014";

(b) in the definition of "G-SII additional leverage ratio", for "G-SII buffer" substitute "buffer";

(c) omit the definition of "G-SII buffer";

(d) in the definition of "institution-specific countercyclical capital buffer", for "Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014" substitute "Capital Buffers and Macro-prudential Measures Regulations 2025";

(e) in the definition of "O-SII additional leverage ratio", for "Part 5ZA of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014" substitute "Part 3 of the Capital Buffers and Macro-prudential Measures Regulations 2025";

(f) in the definition of "O-SII buffer", for "regulation 34 of the Capital Requirements (Capital Buffers and Macro-prudential Measure) Regulations 2014" substitute "regulation 16 of the Capital Buffers and Macro-prudential Measures Regulations 2025";

(g) in the definition of "relevant O-SII", for "regulation 34 of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014" substitute "regulation 14 of the Capital Buffers and Macro-prudential Measures Regulations 2025".

PART 4

Amendment of assimilated law

Regulation (EU) No 648/2012

4. In Article 25 (recognition of a third-country CCP) of Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (**c**), in paragraph 2a(a)(i), for "regulation 29 of the Capital Requirements

(**a**) 1998 c. 11. Section 9U was inserted by section 4 of the Financial Services Act 2012 (c. 21). Paragraphs (c) and (d) of subsection (3) were inserted by S.I. 2014/894. Paragraph (c) was repealed by S.I. 2018/1297.
(**b**) S.I. 2015/905. Article 2(1) was amended by S.I. 2018/1297, 2020/1406, 2021/869.
(**c**) EUR 2012/648. Relevant amending instruments are S.I. 2018/1401 and 2020/646.

(Capital Buffers and Macro-prudential Measures) Regulations 2014" substitute "regulation 15 of the Capital Buffers and Macro-prudential Measures Regulations 2025".

Regulation (EU) No 575/2013

5.—(1) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012(**a**) is amended as follows.

(2) In Article 4(1) (definitions)—

(a) in point (133) (definition of "global systemically important institution"), for the words from "in accordance with" to the end of that point substitute "as such by the PRA";

(b) in point (146)(b) (definition of "large institution"), for "Part 6 of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014" substitute "Part 3 of the Capital Buffers and Macro-prudential Measures Regulations 2025".

(3) In the following provisions, for "combined buffer requirement defined in regulation 2 of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014", wherever it occurs, substitute "combined buffer defined in the Capital Buffers Part of the PRA rulebook(**b**)"—

(a) Article 84(1)(a) (minority interests included in consolidated Common Equity Tier 1 capital);

(b) Article 85(1)(a) (Qualifying Tier 1 instruments included in consolidated Tier 1 capital);

(c) Article 87(1)(a) (Qualifying own funds included in consolidated own funds).

Commission Delegated Regulation (EU) 241/2014

6.—(1) Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for own funds requirements for institutions(**c**) is amended as follows.

(2) In Article 10(3)(b) (limitations on redemption of capital instruments issued by mutuals, savings institutions, cooperative societies and similar institutions etc), for "combined buffer requirement as defined in regulation 2(1) of the Capital Requirements (Capital Buffers and Macroprudential Measures) Regulations 2014" substitute "combined buffer defined in the Capital Buffers Part of the PRA rulebook"(**d**).

(3) In Article 29(3)(a)(2) (submission of application by the institution to carry out redemptions, reductions and repurchases for the purposes etc), for "combined buffer requirement as defined in regulation 2(1) of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014" substitute "combined buffer defined in the Capital Buffers Part of the PRA rulebook".

Commission Delegated Regulation (EU) 342/2014

7.—(1) Commission Delegated Regulation (EU) No 342/2014 of 21 January 2014 supplementing Directive 2002/87/EC of the European Parliament and of the Council and

(**a**) EUR 2013/575. Relevant amending instruments are S.I. 2014/894 and 2019/1232.

(**b**) As amended by the PRA rulebook: CRR Firms: Buffer Instrument 2025 (PRA 2025/1), which was made on 28th January 2025 and came into force on 31st March 2025. This Instrument and the PRA rulebook can be found at https://www.prarulebook.co.uk/ and a copy can be obtained from the Prudential Regulation Authority, 20 Moorgate, London, EC2R 6DA.

(**c**) EUR 2014/241.

(**d**) "PRA rulebook" is defined in article 4A of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (definitions: regulators' rules), which applies to Commission Delegated Regulation (EU) 241/2014 by virtue of sections 11 and 23ZA of the Interpretation Act 1978 (c. 30).

Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the application of the calculation methods of capital adequacy requirements for financial conglomerates(**a**) is amended as follows.

(2) In Article 2(6) (definitions: reference to the PRA rulebook), at the end insert ", except in Article 9(2)(b)(iii)".

(3) In Article 9(2)(b) (solvency requirement)(**b**), for paragraph (iii) (but not the "and" after it), substitute—

> "(iii) the combined buffer defined in the Capital Buffers Part of the PRA rulebook (which means the rulebook published by the PRA containing rules made by that Authority under FSMA as amended from time to time)".

Commission Delegated Regulation (EU) 2015/1555

8. In Article 1 (subject-matter) of Commission Delegated Regulation (EU) 2015/1555 of 28 May 2015 supplementing Regulation (EU) No. 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the disclosure of information in relation to the compliance of institutions with the requirement for a countercyclical capital buffer in accordance with Article 440(**c**) , for "Part 3 of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014" substitute "Part 2 of the Capital Buffers and Macro-prudential Measures Regulations 2025".

Commission Delegated Regulation (EU) 2016/1450

9.—(1) Commission Delegated Regulation (EU) 2016/1450 of 23 May 2016 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities(**d**) is amended as follows.

(2) In Article 1 (determining the amount necessary to ensure loss absorption)—

(a) in paragraph 2, for point (c), substitute—

> "(c) the combined buffer defined in the Capital Buffers Part of the PRA rulebook ".

(b) after paragraph 6, insert—

> "7. In paragraph 2(c) and Article 2, "PRA rulebook" means the rulebook published by the Prudential Regulation Authority containing rules made by that Authority under the Financial Services and Markets Act 2000, as amended from time to time.".

(3) In Article 2 (determination of the amount necessary to continue to comply with conditions for authorisation and to carry out activities and sustain market confidence in the institution), in paragraph 8, for "combined buffer requirement, as defined in regulation 2 of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014" substitute "combined buffer defined in the Capital Buffers Part of the PRA rulebook (see Article 1(7))".

Commission Delegated Regulation (EU) 2016/2251

10. In Article 8 (concentration limits for initial margin) of Commission Delegated Regulation (EU) 2016/2251 of 4 October 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories

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(**a**) EUR 2014/342.
(**b**) Article 9(2)(b)(iii) was amended by the Financial Conduct Authority Technical Standards (Financial Conglomerates Directive) (EU Exit) Instrument 2019 (FCA 2019/59), which was made on 9th April 2019 and came into force on 31st December 2020. The instrument can be found at fca.org.uk and a copy can be obtained from the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.
(**c**) EUR 2015/1555.
(**d**) EUR 2016/1450.

with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty(**a**), in paragraph 3—

(a) in point (a), for the words from "in accordance with" to the end of that point, substitute "(global systemically important institutions) by the PRA";

(b) in point (b), for "Part 5 of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014" substitute "Part 3 of the Capital Buffers and Macro-prudential Measures Regulations 2025".

Name
Name

Date

Two of the Lords Commissioners of His Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 1 of the Financial Services and Markets Act 2023 (c. 29) revokes subordinate legislation in Part 2 of Schedule 1 to that Act, including the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014 (S.I. 2014/894) ("the 2014 Capital Buffers Regulations").

The revocation of the 2014 Capital Buffers Regulations comes into force on 31st July 2025 by virtue of regulation 3 of the Financial Services and Markets Act 2023 (Commencement No. 9) Regulations 2025 (S.I. 2025/572 (C. 25)). Certain provisions of the 2014 Capital Buffers Regulations are restated by the Capital Buffers and Macro-prudential Measures Regulations 2025 (S.I. 2025/653), which are to come into force on 31st July 2025.

These Regulations make consequential amendments in connection with the revocation and restatement of the 2014 Capital Buffers Regulations.

No impact assessment has been published in respect of these Regulations because no impact, or no significant impact, on the private, voluntary or public sector is foreseen.

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(**a**) EUR 2016/2251.

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