



WRITTEN NOTICE
OPTION DELTA PERMISSION

To: **Mitsubishi UFJ Securities International plc**
("the firm")

Reference: **2344767**

Date: **20 April 2016**

DECISIONS

1. In accordance with the discretions afforded to the PRA by Article 329(1) of Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "CRR"), the PRA has decided to grant the firm the permission to use its own calculations of delta in its calculation of own funds requirements for market risk in respect of options on the terms and conditions set out in Annex 1 (the "Option Delta Permission").
2. If the firm ceases to comply with the conditions of this Option Delta Permission set out in Article 329(1) of the CRR or the terms and conditions of the Option Delta Permission set out in Annex 1, the PRA will re-consider the terms and conditions of the Option Delta Permission and the requirements relevant to it, including a revocation of the Option Delta Permission in whole or in part.
3. The Option Delta Permission takes effect on 20 April 2016. The notice of Option Delta Permission replaces notice reference number 1758639.

Peter Hamroque
Senior Manager, International Banks Division



PROCEDURAL MATTERS

4. If you wish to challenge the decisions taken by the PRA in relation to the Option Delta Permission, you may refer the matter to the Upper Tribunal.
5. Details of the Option Delta Permission will be published on the PRA Register.

PRA contacts

6. For more information concerning this matter generally, the firm should contact Hwee Pee at 020 3461 7428.



ANNEX 1

THE OPTION DELTA PERMISSION

Definition

1. The Option Delta Permission means that the firm may use its own calculation of delta to calculate its own funds requirements for market risk in relation to the exposures described in paragraph 2 of this Annex in accordance with article 329(1) of the CRR.
2. In accordance with Article 329(1) of the CRR, the firms may use the Option Delta Permission to calculate the exposure value for the products set out in Table 1, which are either (i) OTC options or (ii) products traded on an exchange for which no delta is available from the exchange concerned.

Table 1

Products
OTC Vanilla Equity Options*
Single-stock Equity Quanto Auto-Callable Options

*For options not included in the Internal Model Approach permission