



WRITTEN NOTICE
Transitional Measure on Technical Provisions

To: **Prudential Pensions Limited (FRN 110434)**
(the ‘firm’)

Of: Laurence Pountney Hill, London EC4R 0HH

Reference Number: 2249170

Date: 21 December 2015

DECISION

- (1) In accordance with regulation 54 (1) (a) of the Solvency 2 Regulations 2015, the Prudential Regulation Authority (‘the PRA’) has decided to grant the firm approval to apply a transitional deduction to its technical provisions.
- (2) This approval is granted on the basis of the information set out in the firm’s application dated 26 June 2015 and subsequent addendum dated 19 October 2015 and that the conditions required to be met to give an approval under regulation 54(1)(a) of the Solvency 2 Regulations 2015 have been met.
- (3) The PRA has concluded that conditions 1 and 2 in regulation 54 (2) of the Solvency 2 Regulations 2015 are met and condition 3 in regulation 54 (2) of the Solvency 2 Regulations 2015 would be met if the amount of the deduction were limited.
- (4) The amount of the approved transitional deduction is limited so that:
 - a) a limit should be applied by the firm so that the transitional deduction does not result in the financial resources which the undertaking is required to maintain being less than the financial resources which the undertaking would be required to maintain in accordance with GENPRU 1.2.26R of the PRA Handbook as at 31 December 2015 as if GENPRU 1.2.26R still applied to the undertaking; and
 - b) the development of the transitional deduction under condition 1 of regulation 54 of the Solvency 2 Regulations 2015 should be performed after the limit has been applied to the transitional deduction, so that ‘TN’ is limited by an amount equal to the original limit multiplied by $(1 - N/16)$.

Effect

- (5) This approval takes effect on 1 January 2016 and expires on 31 December 2031.



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

Decision-maker

- (6) The decision which gave rise to the obligation to give this Notice was made by the Supervision, Risk and Policy Committee of the PRA

Publication

- (7) Details of this approval will be published on the Financial Services Register.

Interpretation

- (8) Interpretative provisions (including definitions) of the *PRA Rulebook* apply in this notice in the same way as they apply to the *PRA Rulebook*.

PRA contacts

- (9) For more information concerning this matter generally, the firm should contact their usual supervisory contact.

Lyndon Nelson
Chairman of the Supervision, Risk and Policy Committee
For and on behalf of the PRA