



WRITTEN NOTICE
INTEREST RATE RISK (IRR) MODEL PERMISSION

To: **J.P. Morgan Securities plc (FRN: 155240)**
(the “firm”)

Of: 25 Bank Street, Canary Wharf, London, E14 5JP

Reference Number: 5161589

Date: 29 March 2019

DECISIONS

- (1) In accordance with the discretions afforded to the PRA by Article 331(1) of Regulation 575/2013 of the European Parliament and of the Council of 26th 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 sensitivity models to calculate positions referred to in Articles 328 to 330 of the CRR in its calculation of own funds requirements for market risk on the terms and conditions set out in Annex 1 (the “IRR Model Permission”).
- (2) If the firm ceases to comply with the conditions for granting of this IRR Model Permissions set out in Article 331 of the CRR and the terms and conditions of the IRR Model Permission set out in Annex 1, the PRA will re-consider the terms and conditions of the IRR Model Permission and the requirements relevant to it, including a revocation of the IRR Model Permission in whole or in part.
- (3) The IRR Model Permission takes effect on 29 March 2019.



ANNEX 1

THE INTEREST RATE RISK (IRR) MODEL PERMISSION)

Legal Entities

1. The IRR Model Permission means that the firm may use, for the legal entities listed in Table 1, on a solo and/or consolidated basis, sensitivity models to calculate positions referred to in Articles 328 to 330 of the CRR in its calculation of own funds requirements for market risk, in accordance with Article 331 of the CRR.

Table 1

J.P. Morgan Securities Plc	Solo and/or Consolidated
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ANNEX 2

VERSION CONTROL SCHEDULE

Version	Comment	Authorisation	Date
1.0	Option Delta permission granted	Andy Murfin, Head of Department, US Investment Banks	14 May 2014
1.1	Option Delta permission varied to include additional option types	Alastair Hughes Head of Division, US Banks	9 March 2017
1.2	Option Delta permission varied to allow a sensitivity-based approach to calculating interest rate risk	Alastair Hughes Head of Division, US Banks	14 December 2017
1.3	Option Delta permission varied to include additional option types	Alastair Hughes Head of Division, US Banks	29 June 2018
1.4	Option Delta permission varied to include additional option types	Jonathan Rand Head of Division, US Banks	29 March 2019
1.5	Option Delta permission varied to extend the sensitivity-based approach of calculating interest rate risk to include additional option types	Jonathan Rand Head of Division, Us Banks	29 March 2019

Note on disclosure

The PRA has decided not to publish the full text and annexes of the Option Delta Permission notices as it has been deemed inappropriate and unnecessary. In particular, to do so might prejudice, to an unreasonable degree, the commercial interests of the firms concerned.

However, in the interests of transparency, the PRA's policy is to publish an abridged version of the permission notice, as a record that the Option Delta Permission has been granted.