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**WRITTEN NOTICE**  
**INTEREST RATE RISK (IRR) MODEL PERMISSION**

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To: Mizuho International Plc (“the firm”) (FRN: 119256)

Reference Number: 00001121

Date: 14 April 2020

**DECISIONS**

1. In accordance with the discretions afforded to the PRA by Article 331 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 in derivative instruments for the purposes of 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 Permission 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 14 April 2020.
4. Terms defined in the CRR have the same meaning in all parts of this written notice.

Rebecca Jackson

Director, International Banks Directorate

## **PROCEDURAL MATTERS**

5. The decision which gave rise to the obligation to give this Notice was made by the Director of the International Banks Division by delegation from the Senior Risk and Policy Committee (SRPC).
6. Details of the IRR Model Permission will be published on the PRA Register.
7. Further details of procedural matters are contained in Annex 2.

## ANNEX 1

### THE INTERNAL MODEL APPROACH PERMISSION

#### Legal Entities

1. The IRR Model Permission means that the firms may use on a solo and, in respect of the legal entities listed in Table 1, on a consolidated basis, the internal model approach in its calculation of own funds requirements for market risk in relation to the risk categories and categories of position described in paragraph 2 of this Annex, in accordance with Article 331 of the CRR.

**Table 1**

| Legal entity             | Solo and Consolidated |
|--------------------------|-----------------------|
| Mizuho International Plc |                       |

#### Other Matters

2. This IRR Permission applies to the following instruments within Articles 328 to 330:

| Instrument Types                           | Product in Scope | Comment                     |
|--------------------------------------------|------------------|-----------------------------|
| Interest Rate Futures                      | Yes              | In scope of CRR Article 328 |
| Bond Futures                               | Yes              | In scope of CRR Article 328 |
| Forward Rate Agreement (FRA)               | Yes              | In scope of CRR Article 328 |
| Overnight Index swaps (OIS)                | Yes              | In scope of Article 330     |
| Single currency IRS                        | Yes              | In scope of Article 330     |
| Single currency basis swaps                | Yes              | In scope of Article 330     |
| Cross-currency fix-float swaps             | Yes              | In scope of Article 330     |
| Cross-currency basis swaps                 | Yes              | In scope of Article 330     |
| Cross-currency MTM swaps                   | Yes              | In scope of Article 330     |
| Non-deliverable cross-currency basis swaps | Yes              | In scope of Article 330     |
| Zero coupon swaps                          | Yes              | In scope of Article 330     |
| Variable notional swap                     | Yes              | In scope of Article 330     |

## **ANNEX 2**

### **PROCEDURAL MATTERS**

#### **Right to make representations**

1. The firm has the right to make representations to the PRA in relation to the IRR Model Permission.
2. If the firm wishes to make written representations, it must do so by 24 April 2020 or such later date as may be permitted by the PRA. Written representations should be made to SRPC and sent to James Tansley at the PRA, 20 Moorgate, London EC2R 6DA.
3. If the firm wishes to make oral representations, it should inform James Tansley of that fact as soon as possible and in any event by no later than 24 April 2020. If the firm does not notify the PRA by 24 April 2020, it will not, other than in exceptional circumstances, be permitted to make oral representations.

#### **The Tribunal**

4. The firm has the right to refer the decision to grant the IRR Model Permission to the Upper Tribunal (the “Tribunal”). The Tax and Chancery Chamber is the part of the Tribunal which, amongst other things, hears references arising from decisions of the PRA. Under paragraph 2(2) of Schedule 3 of the Tribunal Procedure (Upper Tribunal) Rules 2008, the firm has 28 days from the date on which this Written Notice is given to the firm to refer the matter to the Tribunal.
5. A reference to the Tribunal can be made by way of a reference notice (Form FTC3) signed by the firm and filed with a copy of this Written Notice. The Tribunal’s contact details are: The Upper Tribunal, Tax and Chancery Chamber, 45 Bedford Square, London WC1B 3DN (telephone: 020 7612 9700; email: [financeandtaxappeals@tribunals.gsi.gov.uk](mailto:financeandtaxappeals@tribunals.gsi.gov.uk)). Further details are contained in “Making a Reference to the UPPER TRIBUNAL (Tax and Chancery Chamber)” which is available from the Tribunal website: <http://www.tribunals.gov.uk/financeandtax/FormsGuidance.htm>.
6. The firm should note that a copy of the reference notice (Form FTC3) must be sent to the PRA at the same time that a reference is filed with the Tribunal. A copy of the reference notice should be sent to James Tansley at the PRA, 20 Moorgate, London EC2R 6DA.

#### **PRA contacts**

7. For more information concerning this matter generally, the firm should contact James Tansley at 020 3461 8172.



### ANNEX 3

#### VERSION CONTROL SCHEDULE

| Version | Comment           | Authorisation                     | Date       |
|---------|-------------------|-----------------------------------|------------|
| 1.0     | Permission Issued | Rebecca Jackson,<br>Director, IBD | 14/04/2020 |