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## DIRECTION

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To: J.P. Morgan Capital Holdings Limited (FRN 217769)  
(the “Company”)

J.P. Morgan Securities Plc (“JPMS”) (FRN 155240)  
J.P. Morgan Europe Limited (“JPME”) (FRN 124579)  
(each a “Firm”)

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

Ref: 00003843 (JPMS) & 00003844 (JPME)

Date: 23 December 2021

### **Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook (Version in force at the effective date of this Direction)**

#### **Power**

1. This Direction is given by the *PRA* under section 138A of *FSMA*.

#### **Duration**

2. This Direction takes effect on 01 January 2022.
3. This Direction shall end on the earlier of:
  - (a) The date that the relevant rules are revoked or no longer apply to the Firm; or
  - (b) The date that this Direction is revoked, varied or superseded by a further direction that applies to the Firm relating to the same subject matter.

#### **Rules Modified**

4. The *PRA* directs that Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the *PRA* Rulebook applies to each of the Firms and to the Company in respect of the solo and/or consolidated requirements they are subject to with the modifications shown below (new text underlined).



| Rule                               | Modification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 10(1)(c)(i), (ii) and (iv) | <p>(c) assets representing claims on or guaranteed by the following central or regional governments, local authorities or public sector entities:</p> <p>(i) the central government of the <i>United Kingdom</i> <u>or of an EEA State</u>;</p> <p>(ii) the central government of a third country <u>(other than an EEA State)</u>, provided that it is assigned a credit assessment by a nominated ECAI which is at least credit quality step 1 in accordance with Article 114(2) of <i>CRR</i>;</p> <p>(iii) regional governments or local authorities in a third country of the type referred to in point (ii) <u>or regional governments or local authorities in an EEA State</u>, provided that they are treated as exposures to the central government of the third country in accordance with Article 115(4) of <i>CRR</i>;</p> |
| Article 10(1)(d)(i)                | <p>(d) the following assets:</p> <p>(i) assets representing claims on or guaranteed by the central government or <i>central bank of a third country</i> <u>(other than assets representing claims on or guaranteed by the central government of an EEA State)</u> which is not assigned a credit assessment of credit quality step 1 by a nominated ECAI in accordance with Article 114(2) of <i>CRR</i>;</p>                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Article 11(1)(b)                   | <p>(b) assets representing claims on or guaranteed by the central government or the <i>central bank of a third country</i> <u>(other than assets representing claims on or guaranteed by the central government of an EEA State)</u> or by a regional government, local authority or public sector entity in a third country, provided that they are assigned a 20% risk weight in accordance with Article 114(2), 115 or 116 of <i>CRR</i>, as applicable;</p>                                                                                                                                                                                                                                                                                                                                                                        |

## Interpretation

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

Supervision, Risk and Policy Committee

Prudential Regulation Authority