

Notification template for Article 131 CRD – Global Systemically Important Institutions (G-SIIs)

Please send this template to

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1. Notifying national authority									
1.1 Name of the notifying authority	Prudential Regulation Authority (PRA)								
2. Description of the measure									
2.1 Concerned institution(s)	<p>The PRA has designated the following institutions as G-SIIs:</p> <table border="1"> <thead> <tr> <th>Institution</th> <th>LEI code</th> </tr> </thead> <tbody> <tr> <td>HSBC Holdings Plc</td> <td>MLU0ZO3ML4LN2LL2TL39</td> </tr> <tr> <td>Barclays Plc</td> <td>213800LBQA1Y9L22JB70</td> </tr> <tr> <td>Standard Chartered Plc</td> <td>U4LOSYZ7YG4W3S5F2G91</td> </tr> </tbody> </table>	Institution	LEI code	HSBC Holdings Plc	MLU0ZO3ML4LN2LL2TL39	Barclays Plc	213800LBQA1Y9L22JB70	Standard Chartered Plc	U4LOSYZ7YG4W3S5F2G91
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2.2 Level of the buffer applied	<p>The CET1 buffers applied to the above institutions are:</p> <table border="1"> <thead> <tr> <th>Institution</th> <th>Buffer</th> </tr> </thead> <tbody> <tr> <td>HSBC</td> <td>2.0%</td> </tr> <tr> <td>Barclays</td> <td>1.5%</td> </tr> <tr> <td>Standard Chartered</td> <td>1.0%</td> </tr> </tbody> </table>	Institution	Buffer	HSBC	2.0%	Barclays	1.5%	Standard Chartered	1.0%
Institution	Buffer								
HSBC	2.0%								
Barclays	1.5%								
Standard Chartered	1.0%								
2.3 Names of subsidiaries	All institutions identified as G-SIIs have also been identified as O-SIIs by the PRA at the same level of consolidation. No subsidiaries of the institutions identified as G-SIIs have been identified as O-SIIs by the PRA.								
3. Timing of the measure									
3.1 Timing of the Decision	22 November 2018								
3.2 Timing of the Publication	29 November 2018								
3.3 Disclosure	The PRA discloses its list of G-SIIs on its CRD IV updates page.								

3.4 Timing of Application	1 January 2020																								
3.5 Phasing in	The buffers announced in this notification will apply in full from 1 January 2020.																								
4. Reason for activation of the G-SII buffer																									
4.1 Indicators used for designation of the G-SII (Article 131.2)	<table border="1"> <thead> <tr> <th>Institution</th> <th>Size</th> <th>Interconnectedness</th> <th>Substitutability</th> <th>Complexity</th> <th>Cross-jurisdictional activity</th> </tr> </thead> <tbody> <tr> <td>HSBC</td> <td>297</td> <td>299</td> <td>393</td> <td>331</td> <td>732</td> </tr> <tr> <td>Barclays</td> <td>176</td> <td>208</td> <td>230</td> <td>425</td> <td>381</td> </tr> <tr> <td>Standard Chartered</td> <td>88</td> <td>130</td> <td>87</td> <td>90</td> <td>263</td> </tr> </tbody> </table>	Institution	Size	Interconnectedness	Substitutability	Complexity	Cross-jurisdictional activity	HSBC	297	299	393	331	732	Barclays	176	208	230	425	381	Standard Chartered	88	130	87	90	263
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4.2 Scores and buckets (Article 131.2 and 131.9)	<table border="1"> <thead> <tr> <th>Institution</th> <th>Score</th> <th>Bucket</th> <th>Buffer</th> <th>Supervisory judgement</th> </tr> </thead> <tbody> <tr> <td>HSBC</td> <td>410</td> <td>3</td> <td>2.0%</td> <td>No</td> </tr> <tr> <td>Barclays</td> <td>284</td> <td>2</td> <td>1.5%</td> <td>No</td> </tr> <tr> <td>Standard Chartered</td> <td>131</td> <td>1</td> <td>1.0%</td> <td>No</td> </tr> </tbody> </table>	Institution	Score	Bucket	Buffer	Supervisory judgement	HSBC	410	3	2.0%	No	Barclays	284	2	1.5%	No	Standard Chartered	131	1	1.0%	No				
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HSBC	410	3	2.0%	No																					
Barclays	284	2	1.5%	No																					
Standard Chartered	131	1	1.0%	No																					
5. Cross-border and cross-sector impact of the measure																									
5.1 Assessment of cross-border effects and the likely impact on the internal market (Recommendation ESRB/2015/2)	Capital buffers will increase the resilience of UK G-SIIs, which will increase the overall robustness of the financial system in the UK and in other jurisdictions in which the firms operate, a number of which are within the internal market. Increased resilience of G-SIIs also reduces the risk of potential disruptions to the real economy in the event of these firms falling into distress.																								
5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	We expect minimal scope for leakage and regulatory arbitrage. The application of capital buffers on a consolidated basis limits the scope for leakage.																								

6. Combinations and timing of the G-SII notified	
6.1 combinations between G-SII and O-SII buffers (Article 131.14)	All three institutions identified as G-SIIs have also been identified as O-SIIs in the UK on a consolidated basis but no O-SII buffer has been set.

6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)	Not applicable. None of the institutions identified by G-SIIs are subject to an SRB on a consolidated basis.
6.3 Interaction with other measures	Firms subject to a G-SII buffer will also be subject to an additional leverage ratio buffer (ALRB). In the existing UK leverage ratio framework, this buffer rate is calibrated at 35% of the G-SII buffer rate.
7. Miscellaneous	
7.1 Contact person(s) at notifying authority	Alex Ying Tel: +44 20 3461 8755 Email: Alexander.Ying@bankofengland.co.uk Sam McPhilemy Tel: +44 20 3461 5732 Email: Samuel.McPhilemy@bankofengland.co.uk
7.2 Any other relevant information	