Leverage capital requirements and buffers part

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Chapter content

1 Application and definitions

1.1 This Part applies to every JIB where either or both of the following apply:

- a JIB is systemic (including highly systemic)
- a JIB has overseas operations in the form of branches or subsidiaries

1.2 In this Part, the following definitions shall apply:

Deposit

has the meaning given in the Table of Part 2 of Annex II to Regulation (EU) No 1071/2013 of the European Central Bank of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector as it had effect in EU law immediately before Ip Completion Day.

2 Basis of application

2.1 A JIB must comply with this Part on the basis of its consolidated position, unless the JFSC has agreed a variance in accordance with the Risk-Based Capital Requirements Part.

3 Minimum leverage ratio

3.1 A JIB must hold sufficient Tier 1 Capital (Leverage) to maintain, at all times, a minimum Leverage Ratio of 3.25%.

4 Notification

1. A JIB must notify the JFSC immediately if, at any time, it does not hold, or is likely not to hold, an amount and quality of capital that is necessary to comply with 3.1

5 Capital plan

5.1 When a JIB is required to make a notification to the JFSC under 4.1, it must prepare a capital plan and submit it to the JFSC no later than five business days after the JIB identified that the notification was necessary.

5.2 The Capital Plan must include the following:

(1) measures to secure that the amount of the JIB's Common Equity Tier 1 Capital is equal to or greater than the amount and quality of capital that is necessary to comply with 3.1.

(2) a plan and timeframe for the measures outlined for the purposes of rule 5.2(1).