

## FCA and PRA Issue Joint Guidelines on Prudential Assessments for Acquisitions in Regulated Firms

January 9, 2025



By Alix Prentice  
Partner | Financial Regulation

The UK's Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA") have issued a [joint policy statement](#) on their guidelines for the prudential assessment of acquisitions and increases in qualifying 'controlling' holdings in regulated firms (the "Policy Statement").

The Policy Statement includes a new PRA Supervisory Statement on the prudential assessment of acquisitions and increases in control, along with new FCA non-Handbook guidance on the same. Included within the changes are help with identifying controllers within limited partnership structures and clarification on what constitutes 'significant influence' for the purposes of assigning control. Specific updates include:

### A. Significant influence

Control can be obtained via a below-threshold stake in shares and/or voting power when that stake also entails possession of 'significant influence.' The Policy Statement includes clarifications to the effect that the key indicator is the ability to direct or influence decisions made by the board, which could be through a board appointment or through another arrangement.

### B. Submitting the notification

In light of comments about PRA and FCA expectations of pre-notification engagement, the regulators have decided to maintain the existing list of examples when additional information may be required, and when prior engagement is encouraged so that notice givers may receive explanations of specific information requirements, for example, when a larger firm or group with a significant market share would be created. Note that no changes to the notification templates are proposed in the Policy Statement.

### C. Limited partner and general partner structures

While the regulators continue to assess private equity structures and control matrices on a case-by-case basis, additional guidance is now included by the PRA and FCA to help notice givers identify controllers in limited partnership structures.

### Implementation

The PRA and FCA's guidance and supervisory statement became effective on 1 November 2024.