

# Changes to the Banking Supervision Handbook

*Correspondence tables from Handbook source documents to BPRs  
100 to 160*

*November 2020*

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## Introduction

1. This document provides sets of tables to show where each section of the current capital adequacy framework in the Banking Supervision Handbook has gone in the corresponding new Banking Prudential Requirement (BPR) documents. The table below lists the current Handbook documents that make up the capital adequacy framework, and the corresponding new BPR documents.

Banking Supervision Handbook sources	New Banking Prudential Requirement documents
BS2A: Capital Adequacy Framework (Standardised Approach)	BPR100: Capital Adequacy
BS2B: Capital Adequacy Framework (Internal Models Based Approach)	BPR110: Capital Definitions
BS6: Market Risk Guidance Notes	BPR120: Capital Adequacy Process Requirements
BS12: Guidelines on a Bank's Internal Capital Adequacy Assessment Process ("ICAAP")	BPR130: Credit Risk RWAs Overview
BS16: Application requirements for capital recognition or repayment and notification requirements in respect of capital	BPR131: Standardised Credit Risk RWAs
	BPR132: Credit Risk Mitigation
	BPR133: IRB Credit Risk RWAs
	BPR134: IRB Minimum System Requirements
	BPR140: Market Risk
	BPR150: Standardised Operational Risk
	BPR151: AMA Operational Risk
	BPR160: Insurance, Securitisation, and Loan Transfers
	BPR001: Glossary

2. There are six tables in total. Handbook documents BS2A and BS2B apply to standardised and IRB banks respectively. However, there are significant parts of BS2A and BS2B that are largely identical, and these parts have gone to single destinations in the new BPRs. Therefore Table (1) covers only those parts of BS2A that are specific to standardised banks, Table (2) covers only those parts that are specific to IRB banks, and Table (3) covers the duplicated parts of BS2A and BS2B.
3. Handbook documents BS6, BS12 and BS16 apply equally to standardised and IRB banks, and there is one table for each of them showing the BPR destinations of their content.
4. This document is a companion piece to the separate commentary documents which contain more detailed discussion of the rationale for ways in which the source material has been re-drafted and reorganised. The tables include a comments column, which provides some brief explanation in those cases where the source material has been materially re-drafted.

## Correspondence Tables

(1) BS2A Parts 1, 4 (except Subpart 4E), 5, 8 and 9

BS2A	BPR	Section	Comments
<b>Part 1: Introduction</b>			
1	BPR100	B2.1	Sets out the purpose of BS2A: no exact equivalent in BPRs.
2	BPR100	B2.2	
3(1)	BPR100	B2.3(1) and (2)	New B2.3(3) adds cross-reference to BPR160
3(2)-(4)	BPR100	BPR100 B2.4	BS2A text updated in BPR: aligns more with BS2B
<b>Part 4: Credit risk</b>			
14	BPR131	A1.1	A1.1 is roughly the same, provides an introduction.
<b>Part 4A: Standardised ratings grades</b>			
15(1), (2)	BPR131	B1.1 + G	
15(3)	BPR131	A1.3(2)	
16	BPR131	B1.2	
17	BPR131	B1.3	Expanded
18	BPR131	B1.4	
19	BPR131	B1.5	Significantly re-worked
20	BPR131	B1.6	
21	BPR131	B1.7	Wording clarified.
22	BPR131	None	
23	BPR131	B2.1	
24	BPR131	B2.2 + table	Wording changes
25	BPR131	B2.3 + table	

BS2A	BPR	Section	Comments
<b>Part 4B Risk weights for on-balance sheet exposures</b>			
26	BPR131	C1.1(1)	C1.1(2) and (3) are new, the BS2A title is wrong – these risk weights applies to all exposures.
27	BPR131	C2.1	In new version, “short-term” is defined, and guidance is added to explain “cash item in process of collection”
28	BPR131	C2.2 & table	One row of the table deleted (150% unrated), because this case can never arise in the risk-weighting treatment.
29	BPR131	C2.3 & table	Wording revised to make sense.
30(1)	BPR131	C2.4(1)	List updated (in line with Basel), and the term to refer to them made more precise and marked as a defined term.
30(2)	BPR131	C2.4(2)	Undefined reference to “international organisations” cut, also the 150% unrated row of the table (as per C2.2)
31-35	BPR131	C2.5-C2.11	The new sections are re-worked from the existing, to match the Basel source more closely and improve the sense. The following rows give more exact correspondences where they exist.
31 and 32	BPR131	C2.5	Substantially revised text.
Tables 4.6 and 4.9	BPR131	Table C2.9	Risk weights for short-term rating grades for banks and corporates combined.
Tables 4.7 & 4.8	BPR131	Table C2.5	Bank risk-weights for over and under 3 month maturity combined. Separate unrated rows replaced by cross-references to C2.6 and C2.10.
33	BPR131	C2.6	“Ceiling” corrected to “floor”.
34(2) & Table 4.10	BPR131	C2.7(1), (2) & table	Separate unrated row replaced by cross-references to C2.8 and C2.10.
31(1) & 34(1)	BPR131	C2.9	
35	BPR131	C2.8	“Ceiling” corrected to “floor”.
Rows cut from Tables 4.7 - 4.10	BPR131	C2.10	
31 (parts)	BPR131	C2.11	

BS2A	BPR	Section	Comments
36	BPR131	C3.10	RML RWAs now come later. The RML treatment is in a separate subpart, and definitions come before risk weights. New guidance on reverse RML treatment added.
37	BPR131	C3.5	Minor changes: valuation policy is no longer a defined term, but has to meet the conditions in C3.6; and section C3.5(2) specifies the LVR to use if the valuation policy is not eligible.
38	BPR131	C3.9	
39	BPR131	C3.11	
40	BPR131	C2.12	
41	BPR131	C2.14	Equity treatment: “publicly traded” has been narrowed to “traded on NZX50 or overseas equivalent”. Note, BPR131 C2.13 has no BS2A equivalent, and provides a fuller treatment for defining equity exposure (in line with BS2B).
42	BPR131	C2.18	“Other assets”: expanded to clarify which assets not covered elsewhere are within scope of credit risk RWAs. C2.15 to C2.17 do not have BS2A equivalents, and provide further asset categories to harmonise with BS2B categories and include new treatments of leases.
43(a), (d), (g), (h)	BPR131	Glossary	BS2A paragraph 43 sets out definitions. The ones noted here are now in the separate Glossary. “90 past due asset” is now incorporated in the Glossary definition of “past due”.
43(b)	BPR131	C2.7(3)	This is not a full definition, but notes some types of entity that should be included in the corporate treatment ...
43(c)	BPR131	C3.7	The definition of “independent valuer” has been re-cast as a set of eligibility criteria for a valuer to be used for in LVR calculations.
43(e), first four sub-paras	BPR131	C3.2	Overarching definition of RML (this, and the sub-categories, are also included in the Glossary, but this is the principal source for the definition).
43(e), next part, down to the heading “The following definitions ...”	BPR131	C3.3	Classification of RMLs
43(e), remainder	BPR131	C3.4	Definitions needed for the RML sub-categories

BS2A	BPR	Section	Comments
43(f)	BPR131	C3.6	The definition of “residential property valuation policy” has been converted into a set of eligibility conditions for use in LVR calculations.
43(i)	BPR131	C3.8	The definition of “professional valuation service” has been converted into a set of eligibility conditions for use in LVR calculations.
<b>Part 4C: Risk weights for off-balance sheet exposures</b>			
44	BPR131	D1.1	Text updated, guidance added.
45	BPR131	D2.1(1) and (2)	D2.2(3) is new, to clarify treatment of drawn vs undrawn amounts on a loan commitment.
46	BPR131	D2.2	BS2A Tables 4.14 and 4.15 have been merged into Table D2.2.
<b>Part 4D: Market related contracts</b>			New title: Counterparty credit risk (CCR)
47	BPR131	E1.1	Section E1.1 significantly expands and updates BS2A paragraph 47. (Sections E1.2 to E1.4 come from elsewhere or are new text.)
48	BPR131	E2.1	
49	BPR131	E2.2	The reference to “bilaterally netted forward transactions” has been clarified. Table E2.2 is updated to reflect revised definitions of “precious metal” and “commodity”.
50	BPR131	E2.3	Separate BS2A Table 4.18 is blended into the single Table E2.3, by means of subsection E2.3(3). E2.3(4) is new, provides a definition of “qualifying reference obligation”.
51	BPR131	E2.3(3)(a)	This is now incorporated into section E2.3.
52	BPR131	E3.1	The phrase “other than a payments netting contract” has been replaced by guidance to explain what this means. [where from?]
53	BPR131	E3.2	The material is basically the same, but section E3.2 introduces the terms NCCE and GCCE to clarify how NGR is calculated, and also adds some guidance, including the calculation expressed as mathematical formulae.

BS2A	BPR	Section	Comments
54(1)	BPR131	E3.3(4)	Subsections E3.3(1) and (2) are new, to explain how this exception relates to the previous section.
54(2)	BPR131	E3.3(3)	
55	–	–	BS2A para 55 contains definitions. Most are now in the Glossary (some updated, see discussion of Glossary). “Other commodity contract”, “over-the-counter transaction”, and “related derivative contract” are cut as they are not needed. “Repo-style transaction” has been renamed “securities financing transaction (SFT)”.
<b>Part 5: Credit risk mitigation</b>			
56(1)	<b>BPR132</b>	A1.1	
56(2), (3), (5) and (6)	BPR132	B1.1(1) and (4)	
56(4)	–	–	The simple/ comprehensive distinction only applies to collateral. This subsection is not needed.
56(7)	–	–	Cut, as this is a general risk management requirement, not a condition for recognising credit risk mitigation. (Also appears in BS2B section 4.300A, and cut from there as well.)
57(1)	BPR132	A2.1	
57(2) and (3) and 58	BPR132	A2.3	
59	BPR132	A1.2(1)	The rest of section A1.2 and Table A1.2 are additional explanatory text.
60(a)-(e)	BPR132	B1.2(1)	These are the permitted types of collateral. (Reference to “cash” is replaced with “cash collateral”, “cash on deposit” is clarified.)
60(f) and 61(1)(d)	BPR132	B1.2(2)	And these are the excluded types.
61(1) except (d)	BPR132	B1.3	B1.3 divides up the BS2A requirements in legal and lodging requirements.
61(2)	BPR132	B3.1	This is specific to the simple method.
62	BPR132	B3.2	The simple method (source re-organised somewhat)
63(3)	BPR132	B1.1(2)	Point about the RW requirement applying to both sides of a collateralised deal (eg repo / reverse repo) – applies to both simple and comprehensive approaches.



BS2A	BPR	Section	Comments
63(1), (2), (5) and (6)	BPR132	B2.1(1) to (5)	Basic discussion of process for adjusting the exposure value. (B2.1(1)(b) adds cross-reference to treatment of SFTs under a master netting agreement.)
63(4)	BPR132	B2.1(6) to (8)	Expands on how the adjusted exposure is used (feeding into either standardised or IRB RWA).
64	BPR132	B2.2	Sets out the formula. B2.2(2) clarifies how the approach applies to CCR on derivatives. B2.2(3) provides cross-ref to the netted SFT case.)
65	BPR132	B2.3	Table with the haircuts. Guidance added to make it clearer when the haircuts must be adjusted. "Other equity" row cut since it's not in the list of eligible instruments.
66	BPR132	B2.4	
67	BPR132	B2.5	Haircut adjustments have been more clearly laid out (hopefully) – also guidance added to give a worked example.
68	BPR132	B2.6	
69	BPR132	B2.7	
70(1)	BPR132	E1.1(2) & B1.3(4)	General provisions about CRM maturity mismatch (BPR132 Part E) apply to case where collateral lodgement period is shorter than exposure maturity.
70(2)	BPR132	E1.3(1), and guidance on E1.4	First two references to "residual maturity" are corrected to "original maturity". New definition of "effective original maturity" added (E1.3(2)). The case where lodgement is for less than 3 months is implicit in the formula in E1.4 anyway, so just noted as guidance to E1.4
70(3)	BPR132	E1.1(1)	
71	BPR132	E1.2	The BPR132 text is expanded, drawing on various cases across BS2A and BS2B. It also refers to <u>residual</u> maturity, which is what the definitions need to cover.
72	BPR132	E1.4	
73	BPR132	D1.2(1)(a)	Eligible guarantor types updated to reflect revisions to defined terms. (Unlike Basel, we exclude connected parties.)
74(ab)	BPR132	D1.2(1)(b)	This exclusion of connected parties has been combined with eligible guarantors.
74(a),(c),(d)	BPR132	D1.2(2)	Conditions common to guarantees and credit derivatives. D1.2(2)(c) is new (but in BS2B).
74(b),(e)	BPR132	D1.3	Conditions specific to guarantees.

BS2A	BPR	Section	Comments
75, 76	BPR132	D1.11	BPR132 material is considerably reworked from BS2A. Unlike Basel, we don't allow for tranching cover.
77	BPR132	D1.9	Currency mismatch.
78-80	BPR132	Part E	Maturity mismatch for guarantees revised just as for collateral – see BS2A sections 70-72 above.
81(1)	BPR132	D1.4 & D1.8	
81(2)(a),(b),(c)	BPR132	D1.2(2)	Conditions common to guarantees and credit derivatives. D1.2(2)(c) is new (but in BS2B).
81(2)(ab)	BPR132	D1.2(1)(b)	
81(2)(d)(i),(ii) and part of (iii)	BPR132	D1.5(1),(3)	Conditions specific to credit derivatives.
81(2)(d)(iii) (remainder)	BPR132	D1.5(2)	Treatment where restructuring of the exposure is not covered has been expanded to clarify.
81(3)	–	–	Cut, as the meaning is not clear, and the general intent is captured in the maturity mismatch treatment (BPR132 Part E).
82 & 83(2)	BPR132	D1.7	These two sections are quite intertwined, and have been reorganised to improve clarity. The Basel source is repetitive and quite confusing.
83(1)	BPR132	D1.6	Separated from the above, a completely different topic.
84 & 85(1)	BPR132	E1.2	Part of general maturity mismatch treatment
85(2), 87, 88	BPR132	D1.11	Merges source material from BS2A (section 85(2) is completely unrelated to section 85(1)).
86	BPR132	D1.2(1)(a)	
89	BPR132	D1.8	BS2A here repeats the treatment of cash-funded credit-linked notes. (See 81(1) above.)
90	BPR132	Part E	BS2A maturity mismatch treatment for credit derivatives (unified).
91	BPR132	D1.9	Currency mismatch (same as for guarantees).
92(1)	BPR132	C1.1	
92(2)	BPR132	C1.2	
92(3)	BPR132	C2.1	

BS2A	BPR	Section	Comments
92(4) to (8)	BPR132	C2.2	The revised version is significantly compressed: the maturity mismatch case is dealt with by referring to Part E of BPR132. Unlike the Basel source and BS2A, BPR132 spells out the formula: the only haircut is on the deposit, and only if it is in a different currency from the asset.
93(1)	BPR132	B2.8	
–	BPR132	B2.9(1) & guidance	Explanatory material from the Basel source has been added in BPR132.
93(2) & (3)	BPR132	B2.9(2) & (3)	The formula in BPR132 uses index numbering to make the scope of the summation clearer (compared to BS2A and the Basel source).
<b>Part 8: Loan transfers</b>			No equivalent in BS2B, although this part of BPR160 will apply equally to IRB banks.
115	<b>BPR160</b>	D1.1 & D1.2	Text updated to clarify that this refers to exclusion of assets from the capital adequacy calculation. BS2A 115(2) is now guidance, as it only expresses the aims of the policy. D1.2 is mainly new text, to give the overview of the eligibility conditions.
116(1) & 117	BPR160	D1.3	
116(2)	BPR160	D1.4	
<b>Part 9: Operational risk</b>			
118	<b>BPR150</b>	A1.1	
119, 120(2)	BPR150	A1.2	Definitions in BPR150 are narrowed down to those needed only in BPR150. Eg “GAAP” and “operational risk” are now in the Glossary.
120(1)	BPR150	B1.1	
121(1)	–	–	
121(2)	BPR150	B1.2(2)	Material has been reordered so that the main capital components (in BS2A para 123) come before the more detailed descriptions of each.
122(1)	–	–	
122(2) & (3)	BPR150	B1.3(2) & (3)	“eg’s” have been put into guidance boxes.
123(1)	BPR150	B1.2(1)	

BS2A	BPR	Section	Comments
123(2)	BPR150	B1.3(1)	
123(3) to (6)	BPR150	B1.4	

## (2) BS2B Parts 1, 4 and 8 (except Sections 4.82A to 4.82U)

BS2B	BPR	Section	Comments
<b>Part 1: Introduction</b>			
1.1	<b>BPR100</b>	A1.3, B2.3(2)	Approximate correspondence – A1.3 sets out the applicability of all BPR documents to IRB and standardised banks, B2.3(2) refers to disclosure.
1.2	BPR100	B2.2	
1.3	–	–	No exact equivalent, given new organisation.
1.3A, 1 <sup>st</sup> sentence	<b>BPR120</b>	BPR120, E1.2	
1.3A, 2 <sup>nd</sup> sentence and paras (a) & (b)	BPR120	BPR120, E1.3	
1.3A, “content of submission”	BPR120	BPR120, E1.4	
1.3B	BPR120	BPR120, E1.5	
1.4	<b>BPR100</b>	B2.3	Adjustments to the group consolidation or exclusion of loans by reference to BPR160 is made more explicit in BPR100.
1.5	BPR100	B2.4(1)	
1.6	BPR100	B2.4(2)	
1.7	BPR100	B2.4(3)	
1.8	BPR100	B2.4(4)	
<b>Part 4: IRB Approach</b>			
4.1	<b>BPR130</b>	A1.2	Nearest equivalent – BPR130 section A1.2 points to the overall method for an IRB to calculate its total credit risk RWAs.
<b>Subpart 4A: Categorisation of exposures</b>			
4.2	<b>BPR133</b>	A2.1	New text added to A2.1, to note that of the exposure classes listed, BPR133 only provides the risk-weighting for <b>modelled exposure classes</b> .

BS2B	BPR	Section	Comments
4.3	–	–	Introductory para for BS2B subpart – not included in BPR133.
4.4, 1 <sup>st</sup> para	BPR133	B1.1	
4.4(a)	BPR133	B1.2	
4.4, para before (i)	BPR133	B1.3	
4.4(a)(i)	BPR133	B1.4	
4.4(a)(ii)	BPR133	B1.5	
4.4(a)(iii)	BPR133	B1.6	
4.4(a)(iv)	BPR133	B1.7	
4.4(b)	BPR133	B1.8	4.4(b) sets out eligibility criteria for corporate purchased receivables, which are duplicated in BS2B sections 4.176 to 4.181 (see below). B1.8 replaces this with a brief definition.
4.4(c)	BPR133	B1.9	
4.5	BPR133	B2.1	
4.6	BPR133	B3.1	
4.7, 1 <sup>st</sup> para	BPR133	B4.1	
4.7(a)	BPR133	B4.2	Detailed mortgage definitions are now only set out in BPR131, section B4.2 cross-refers to them and summarises the categorisation. B4.2(4) is new, to confirm that reverse mortgages are subject to the standardised approach in BPR131.
4.7(b)	–	–	QRRE (qualifying revolving retail exposures) is no longer an available exposure class.
4.7(c)	BPR133	B4.3	
4.7(d)	BPR133	B4.4	
4.7(e)	BPR133	B4.5	
4.8	BPR133	B5.1	Definition of equity exposure greatly simplified to align with standardised approach.
4.9	BPR133	B6.1	

BS2B	BPR	Section	Comments
<b>Subpart 4B: Rules for applying IRB approach</b>			
4.10 – 4.14	BPR133	C1.1 (and A3.2)	The new BPR133 material is substantially reorganised from the BS2B source.
4.15	BPR133	C2.1	
4.16	BPR133	C2.2(1)	
4.17	BPR133	C2.2(2)	
4.18	BPR133	C2.2(3)	
4.19	BPR133	C2.3	
4.20 – 4.60	–	–	This section provides the approach to recognising collateral in LGD under the FIRB approach, which we are removing from our capital framework. Hence it is mostly omitted from BPR133.  However, see comments on sections 4.36 and 4.37.
4.36 & 4.37	<b>BPR132</b>	B2.2(1) & (2)	This treatment of collateral applies to EAD on counterparty credit risk under the AIRB approach, because BS2B section 4.84 applies the FIRB approach to EAD to the AIRB approach, and these sections relate to EAD, not LGD.
4.61	<b>BPR133</b>	C3.1	
4.61A	BPR133	C3.2	
4.62	BPR133	C3.3	BS2B 4.62 mainly relates to EAD, not LGD. BPR133 C3.3 expands and explains how a bank using the IRB methodology can adjust LGD for collateral using its own modelling, while collateral held against derivatives or SFTs feeds in via the standardised CCR approach.
4.63	BPR133	C3.4	
4.64	BPR133	C5.1 & C5.2(1)	The BPR 133 material removes FIRB references, refers explicitly to the relevant minimum standards in BPR134, and also notes where the standardised methodology must be used.

BS2B	BPR	Section	Comments
4.65	BPR133	C5.2(2)	There is a heading “FIRB approach” above para 4.65 in BS2B, but BS2B para 4.84 says that all of paras 4.65 to 4.83 are the same under the AIRB approach, except for minor variants. Hence C5.2 and following are also part of the IRB approach in BPR133.
4.66	BPR133	C5.3(1)	
4.67	BPR133	C5.3(2) and (3)	Explanatory guidance added with worked example.
4.68, 2 <sup>nd</sup> sentence	BPR133	C5.4	This just leaves in BPR133 a cross-reference to the on-balance sheet netting treatment in BPR132.
4.68, 1 <sup>st</sup> sentence and subparas (a) and (b)	<b>BPR132</b>	Part C	Common IRB & standardised approach to on-balance-sheet netting – now in BPR132 Part C.
4.68 (c)	<b>BPR132</b>	B2.8 & B2.9	Common IRB & standardised approach to exposure amount for SFTs covered by bilateral netting – now in BPR132.
4.69 to 4.72	BPR133	C5.5	<p>The BS2B source material has been substantially re-drafted in BPR133 section C5.5, also factoring in BS2B section 4.84, which provides for a bank estimating its own CCFs under the AIRB approach unless the FIRB CCF (in Table 4.6) is 100%.</p> <p>The term “off-balance sheet exposure” has been replaced by more specific descriptions.</p> <p>The principal amount should be gross, not net of provisions, so this has been corrected</p>
4.73	<b>BPR133 &amp; BPR131</b>	BPR133, section C5.6 and BPR131, section E1.1	<p>BPR133 C5.6 expands on BS2B 4.73 by spelling out the various cases and types of contract covered by the CEA methodology for counterparty credit risk, and provides cross-references to BPR131 for the details of the methodology. Both the standardised and IRB credit risk methodology use the Basel II standardised methodology for CCR.</p> <p>The comments above on BS2A sections 47 to 54, and section 55, apply equally here.</p>
4.74	<b>BPR131</b>	E2.1	
4.75	BPR131	E2.2(1) to (3)	
4.76	BPR131	E2.1(4)	
4.77	BPR131	E2.2(5)	



BS2B	BPR	Section	Comments
4.78 & 4.79	BPR131	E2.3(1) to (3)	The two separate tables in the BS2B source, in 4.78 and 4.79, have been re-organised so that only one table is needed.
4.80	BPR131	E2.2(3)(a)	This proviso has been blended into the main text on credit derivative CEAs.
4.81(a) to (f)	BPR131	E3.1	
4.81(g)	BPR131	E3.2	
4.82	BPR131	E3.3 (3) & (4)	BPR131 E3.3(1) and (2) are new text, to clarify what is going on here.
4.83	<b>BPR001</b>	See BPR001 (Glossary)	This section of BS2B defines a number of terms.
4.84	<b>BPR133</b>	C5.5 (partially)	The main point of section 4.84, ie to specify which FIRB material also applies in the AIRB case, is redundant now we have removed the FIRB option.
4.85	–	–	Cut – relates only to FIRB.
4.86	BPR133	C6.1	
4.86A	BPR133	C6.2(3)(b)	
4.87	BPR133	C6.2(3) and (4)	
4.88	BPR133	C6.3(1)	
4.89	BPR133	C6.3(2)	
4.90	BPR133	C6.7(3)	C6.7(3) combines BS2B sections 4.90 and 4.96 – there is a lot of overlap between these two.
4.91	BPR133	C6.7(1)	BS2B sections 4.91(a) and (b) are cut from C6.7(1) – these are already dealt with in 4.95 / C6.6.
4.92	BPR133	C6.7(2)	
4.93	BPR133	C6.4	
4.94	BPR133	C6.5	
4.95	BPR133	C6.6	C6.6 expands considerably on the source, to try and clarify the meaning.
4.96	BPR133	C6.7(3)	Combined with BS2B section 4.90.
4.97	–	–	Cut – this serves no purpose.

BS2B	BPR	Section	Comments
4.98	–	–	4.98 refers to FIRB and AIRB approaches to guarantees and credit derivatives. BPR132 section D2.1(1) provides the introduction to the IRB approach, but is mainly new text.
4.99	<b>BPR132</b>	D2.6(1)	
4.100	BPR132	D2.7(1)(a), (3) & (4)	For D2.7(1)(b) and (2), see BS2B 4.299 below.
4.101	BPR132	D2.1(2)	
4.102	BPR132	A2.3(2)	Also relates to D2.6(1) (general point about CRM not increasing the RWA)
4.103	BPR132	D2.3(8)	
4.104	BPR132	D2.9	
4.105	–	–	This section is not needed, as it provides cross-references to parts of the FIRB approach. But various parts of the FIRB approach set out in sections 4.105 to 4.128 are also used by the AIRB approach and hence are kept in BPR132.
4.106	–	–	Cut, FIRB only.
4.107	BPR132	D2.3(6) & (7)	This sets out the PD adjustment option. It is part of the FIRB approach, but also part of the AIRB approach because of BS2B 4.131, which should refer to 4.107 but only refers to 4.111.
4.108, 1 <sup>st</sup> sentence	BPR132	D2.6(2)	D2.6(2) (“no double default”) also draws on related material in BS2B section 4.297 (last paragraph)
4.108, 2 <sup>nd</sup> sentence	BPR132	D2.6(1)	Duplicates BS2B 4.99.
4.109	–	–	Cut – FIRB only.
4.110	–	–	Cut – FIRB only. AIRB equivalent material is in BS2B section 4.130.
4.111	BPR132	D2.3(2)(a)	
4.112, 1 <sup>st</sup> sentence	BPR132	D2.3(2)(b)	
4.112, 2 <sup>nd</sup> sentence	–	–	Cut – this limitation only applies in the FIRB approach.

BS2B	BPR	Section	Comments
4.113	BPR132	D1.9, via D2.1(2)	Currency mismatch treatment is the same as for standardised.
4.114 – 4.116	BPR132	Part E, via D2.1(2)	Maturity mismatch treatment is the same as for standardised.
4.117	–	–	Cut, FIRB only.
4.118 (a) to (c) and (e)	–	–	Cut, FIRB only.
4.118 (d)	BPR132	D1.5, via D2.8(d)	Treatment of credit derivatives that do not cover debt restructuring is the same as for standardised. This is because of the reference in BS2B section 4.133 (which cross-refers incorrectly to section 4.120, but should cross-refer to section 4.118).
4.119	BPR132	D1.7, via D2.1(2)	Credit derivative asset mismatch treatment is the same as for standardised.
4.120, 1 <sup>st</sup> paragraph	–	–	Cut, FIRB only.
4.120, 2 <sup>nd</sup> paragraph	BPR132	part of D1.7, via D2.1(2)	This repeats some of the asset mismatch treatment in BS2B 4.119.
4.121, 4.122 1 <sup>st</sup> paragraph	BPR132	Part E, via D2.1(2)	Maturity mismatch treatment is same as for standardised (and same for credit derivatives as for guarantees, see BSB 4.114-4.116). (BS2B 4.127 provide the rest of the treatment.)
4.122 2 <sup>nd</sup> paragraph	BPR132	D2.3(2)(a)	Completely unrelated to 4.122 1 <sup>st</sup> paragraph. Corresponds to BS2B 4.111 for guarantees.
4.123	–	–	Cut – FIRB only. (Cf 4.109 and 4.110)
4.124	BPR132	D2.3(2)(b)	
4.125	–	–	FIRB only – AIRB does not restrict treatment to specific types of credit derivatives
4.126	–	–	FIRB only
4.127	BPR132	Part E, via D2.1(2)	Remainder of the maturity mismatch treatment – see also 4.121.
4.128	BPR132	D1.9, via D2.1(2)	Currency treatment, same as for standardised (and as for guarantees, see 4.113).
4.129	BPR132	D2.2(1)-(3)	

BS2B	BPR	Section	Comments
4.130	BPR132	D2.2(2), D2.2(4)(a)-(c)	
4.131	BPR132	D2.3(1)	4.131 also has the effect of applying 4.107 and 4.111 to the AIRB approach. The details of the risk-weighting approach in D2.3(4) to (6) are all implicit in BS2B 4.131.
4.132	BPR132	D2.2(5)	
4.133, 1 <sup>st</sup> paragraph, 1 <sup>st</sup> sentence	BPR132	D1.7, via D2.1(2)	Credit derivative asset mismatch treatment is the same as for standardised. This applies to AIRB as well as FIRB, because this section refers back to section 4.119.
4.133, 1 <sup>st</sup> paragraph, 2 <sup>nd</sup> sentence	BPR132	D1.5, via D2.8(d)	See comment on 4.118(d) above.
4.133, 2 <sup>nd</sup> and 3 <sup>rd</sup> paragraphs	BPR132	D2.8(b) and (c)	
4.134	<b>BPR133</b>	C8.1(1) & (2)	C8.1(3) provides explanatory cross-reference.
4.135	BPR133	C8.1(4)	
4.136	BPR133	C8.2	Footnotes 42 and 43 are in guidance, footnote 44 is C8.2(2)
4.136A	BPR133	C7.3	Part of the separate subpart C7 on calculation of R (correlation)
4.137	BPR133	C8.3	Guidance added with formula to help clarify.
4.138	BPR133	C8.4	
4.139	BPR133	C7.4	Significantly re-worked and included as another case of the calculation for R.
4.139A	BPR133	C7.4(1)(b)	Farm lending exclusion, folded into C7.4
4.140	BPR133	C9.1(1)	
4.141	BPR133	C9.1(3)	Note that C9.1(2) is new text, to combine the UL RWAs for the slotting approach here with the EL calculation from 4.210.
4.142	BPR133	C9.1(4)	
4.143 (1 <sup>st</sup> two sentences)	BPR133	C9.1(3)	The external rating equivalents have been pulled out into guidance, as they are only indicative.

BS2B	BPR	Section	Comments
4.143 (last sentence and table)	BPR133	C9.3	
4.143 (footnote 45)	BPR133	C9.2	The methodology for contingent liability exposures under the slotting approach is the Basel FIRB approach, which is the same as the standardised with the amendments in C9.2(3).
4.144	BPR133	D1.1(1), (3) & (4)	
4.145	–	–	Refers to EL treatment for retail exposures – cross-reference not needed in the new structure.
4.146	BPR133	D1.1(2) and (5)	
4.147	BPR133	D2.1 & D3.1	
4.148	BPR133	D2.2(1)	
4.149	BPR133	D2.2(2)	
4.150 1 <sup>st</sup> sentence	BPR133	D3.2(2)	
4.150 2 <sup>nd</sup> sentence and Table 4.11	BPR133	D3.2(4) and Table D3.2	
4.150A, up to defn of “property value”	BPR133	D3.3	The property value definition for reverse mortgages has been cut as they are not subject to the IRB approach. Guidance has been added to note this point. Text added to say that the valuation policy must meet the eligibility criteria in D3.4.
4.150A, defn of “residential property valuation policy”	BPR133	D3.4	Text revised to clarify that this definition sets out the eligibility criteria for a valuation policy used for calculating LVR.
4.150A, defn of “independent valuer”	BPR133	D3.5	Text revised to clarify that this definition sets out the eligibility criteria for a property valuer used for calculating LVR.
4.150A, defn of “professional valuation service”	BPR133	D3.6	Text revised to specify that this sets eligibility criteria for the valuation method used.
4.151	BPR133	D3.2(1)	

BS2B	BPR	Section	Comments
4.152	BPR133	D5.2	
4.153 & 4.154, 1 <sup>st</sup> paragraph	BPR133	D5.3	D5.3 is much shorter than the source material, because it simply cross-refers to the corporate EAD approach in section C5.3, which is the same.
4.154, remainder	BPR133	D5.4	D5.4 is also much shorter than the source material, as it cross-refers to the on-balance sheet netting methodology in BPR132.
4.155	BPR133	D5.5(1)-(2)	New text expanded to clarify that pre-provision notional amount must be used.
4.156	BPR133	D5.5(3)	New text makes it explicit what “minimum requirements” are referred to.
4.157	BPR133	D5.5(4)	
4.158	BPR133	D5.5(5)	
4.159	BPR133	D5.6	Text revised, as the reference to CCFs and to foreign exchange and interest rate commitments does not make sense.
4.160	BPR133	D4.1	D4.1 includes cross-references to BPR132. Also, text has been added to deal with the case of a standardised credit protection provider covering an IRB exposure.
4.161-162		–	Not needed, as these simply provide specific parts of the guarantee / credit derivatives treatment set out in BPR132.
4.163	BPR133	D6.1	Revised to delete QRRE reference, also reverse mortgages are covered by a standardised approach, ref to BPR131.
4.164	BPR133	D6.2(1)	BS2B footnotes now in guidance boxes.
4.164A	BPR133	D6.2(2)	
4.164B & C		–	Reverse mortgage treatment – not in BPR133, already covered in BPR131.
4.165		–	QRRE formula deleted
4.166	BPR133	D6.3	
4.167	BPR133	D6.4(2)	
4.168	BPR133	D6.4(1)	
<b>Purchased receivables</b>			

BS2B	BPR	Section	Comments
4.169	BPR133	E1.1(1) & (2)	
4.170 (para 1)	BPR133	E1.1(3)	
4.170 (rest)	BPR133	E1.2	(Note, section E1.3 comes from BS2B section 4.302)
4.171		–	There is no section 4.171 in BS2B
4.172	BPR133	E2.1	
4.173	BPR133	E2.2	
4.174	BPR133	E2.3	
4.175	BPR133	E2.4	
4.176-177	BPR133	E3.1	
4.178-179	BPR133	E3.2	
4.180-181	BPR133	E3.3	The examples of what is not “arms-length” have been put into a guidance note, along with explanation of “contra-accounts”.
4.182	–	–	FIRB/ AIRB distinction, so not needed.
4.183 (para 1 & para 2, 1 <sup>st</sup> sentence)	–	–	
4.183 (para 2, 2 <sup>nd</sup> sentence)	BPR133	Guidance after section E3.5(1)	This relates to PD and LGD estimation, so goes to where that is set out.
4.183 (para 3) and 4.184	BPR133	E3.4	The source material (including footnote 49) has been re-organised and expanded significantly to clarify the actual method to calculate RWA in this case.
4.185-186	–	–	FIRB only, so not needed.
4.187	BPR133	E3.5(1)	
4.188, para 1	BPR133	E3.5(2)	BSB2B 4.188 is very diffuse and confusing, so the material has been substantially reorganised in BPR133.
4.188, 1 <sup>st</sup> subsections (a) and (b)	BPR133	E3.5(4)	
4.188, para “The LGD...”	BPR133	E3.5(5)	

BS2B	BPR	Section	Comments
4.188, para “The risk weight for ...”	BPR133	E3.4(1)	
4.188, 2 <sup>nd</sup> subsection (a)	BPR133	E3.6(1)	
4.188, 2 <sup>nd</sup> subsection (b)	BPR133	E3.6(2) & guidance	
4.188, from “Effective maturity (M) ...”	BPR133	E3.7	
4.189 and footnote	BPR133	E4.1 and E4.2	
4.190	BPR133	E4.3(2) and (2)(a)	The method for calculation capital requirement for dilution risk in BS2B 4.190 is very unclear. Section E4.3 has been substantially re-worked (and new material added in Section E4.4).
4.190 footnote	BPR133	E4.3(2)(a)(iii)	
4.191	BPR133	E4.3(2)(a)(i) & (ii)	
4.192	BPR133	E4.3(1), (2)(a) and (2)(b)	
4.193	BPR133	E4.3(2)(d) and (3)	
4.194	–	–	Not needed, this simply restate that the minimum standards are set out in BS2B 4.178 to 4.181.
4.195 1 <sup>st</sup> sentence	BPR133	E5.1	
4.195 2 <sup>nd</sup> sentence	BPR133	E5.2(1)	
4.196	BPR133	E5.2(2)	
4.197	BPR133	E5.2(3)	
4.198	BPR133	E5.2(4)	Not needed, this repeats BS2B 4.194.
4.199	–	–	
4.200	BPR133	BPR131, C2.13(1)	



BS2B	BPR	Section	Comments
4.201-202	BPR133	BPR131, C2.14	C2.14 combines BS2B treatment with standardised treatment from BS2A section 41
4.203	BPR133	BPR131, C2.13(2) & (3)	
4.204	BPR133	BPR131, C2.17(1)	
4.205	BPR133 and BPR131	BPR133, C1.2(1)-(2), D1.2(1)-(2), also BPR131, C2.17(2)	In the treatment of leases, the discounted lease payment stream is risk-weighted according to the risk-weight for the counterparty (whether IRB or standardised), while residual value always gets 100% standardised risk weight. This material is new in BPR131, since BS2A currently includes leases within "other assets".
4.206, 1 <sup>st</sup> part	BPR133	BPR131, C2.15	The BS2B risk-weighting of fixed assets is not explicitly covered in BS2A, so this text now provides the treatment in BPR131 (applies to all banks).
4.206(a) & (b)	BPR133	BPR131, C2.1	The BPR131 treatment of cash and gold is based mainly on BS2A, which provide more detail.
4.206(c) & (d)	–	–	These fall with the sovereign exposure class, so do not need to be covered here.
4.207	BPR133	F1.1(1)	
4.208	BPR133	F1.1(2)-(4)	Source material significantly revised.
4.209	BPR133	F1.2(1)	4.209(c) is FIRB only, so has been deleted.
4.210	BPR133	F1.2(2) and C9.4	C9.4 sets out the method for EL for supervisory slotting exposures (along with RWAs for UL). F1.2(2) only has a cross-reference to C9.4.
4.211	BPR133	F1.3	
4.212	BPR133	F1.4(1)	
4.213	BPR133	F1.4(2) to (4)	
4.214 – 4.216	BPR133	F1.5	F1.5 considerably rationalises the source sections, so it is not possible to spell out exactly where each of them goes to.
<b>Subpart 4C: Minimum requirements for IRB approach</b>			

BS2B	BPR	Section	Comments
4.217	<b>BPR134</b>	A1.1(1)	Contents list cut, as there is now a separate contents table
4.218	BPR134	A1.1(2)	FIRB/AIRB reference cut
4.219	BPR134	A1.2	Text on “wider use” has been cut and blended into section A1.3 (see BS2B paras 4.260 and 4.261).
4.220	BPR134	B1.1	
4.221	BPR134	B1.2	BS2B footnote 55 has been moved up into B1.2
4.222	BPR134	B2.2	
4.223	BPR134	B2.3(3)-(5)	B2.3(1) and (2) come from BS2B 4.228 (see below)
4.224 (subparas 1 and 3)	BPR134	B2.4	Para 4.224 subpara 2 has been cut (FIRB only).
4.224 (subpara 4)	BPR134	B2.5	The exception for the supervisory slotting approach has been split out.
4.225	BPR134	B2.6(1) and (2)	
4.226	BPR134	B2.6(3) and (4)	“Might include, for example” text has been put into guidance.
4.227 (first 2 sentences)	BPR134	B4.1(1) ...	
4.227 (remainder)	BPR134	B4.3	
4.228 (subpara 1)	BPR134	B2.3(1) and (2)	
4.228 (subpara 2)	BPR134	B3.2 and B3.3	
4.229 (subpara 1)	BPR134	B3.4	
4.229 (subpara 2)	BPR134	B3.6	Supervisory slotting approach separated out.
4.230	BPR134	B3.5	
4.231	BPR134	B3.7	
4.232 (subpara 1)	BPR134	B4.1(2)	BS2B footnote 59 has been included as a guidance box.

BS2B	BPR	Section	Comments
4.232 (subpara 2)	BPR134	B4.1(3)	
4.232 (subparas 3-4)	BPR134	B4.2	
4.233	BPR134	B4.4	
4.234	BPR134	B5.1	
4.235	BPR134	B5.2(1) & (2)	
4.235A	BPR134	B5.2(4)	The description of an HLFi has been put into guidance, as it is not strictly a definition.
4.236	BPR134	B5.2(3)	
First un-numbered para after 4.236.	BPR134	B6.1	The source material is under the heading "Use of models". It is not numbered in any way.  BS2B footnote 62 has been made part of main requirements
Other un-numbered paras after 4.236.	BPR134	B6.2	
4.237 (minus last 2 sub-paras)	BPR134	B7.1	
4.237 (last 2 sub-paras)	BPR134	B7.2	
4.238	BPR134	B7.3	
4.239	BPR134	B7.4	
4.240	BPR134	C1.1	
4.241	BPR134	C1.2	An explanation of specific wrong-way risk has been added as guidance.
4.242	BPR134	C2.2(1) to (3)	
4.243	BPR134	C2.2(4) & (5)	
4.244	BPR134	C2.3	
4.245	BPR134	C2.4	
4.246	BPR134	C3.1	

BS2B	BPR	Section	Comments
4.247	BPR134	C4.2	Section C4.1 is new material specifying which sections of Subpart C4 apply where.
4.248	BPR134	C4.3	
4.249	BPR134	C4.4	Footnote 63 has been included as a guidance box after section C4.4.
4.250	BPR134	C4.5	This applies to the supervisory slotting approach, not just the FIRB approach.
4.251	BPR134	C4.6	Footnote 65 has been included as a guidance box.
4.252	BPR134	C5.1(1) & (2)	Examples have been put into a guidance box.
4.253	BPR134	C5.1(3)	
4.254	BPR134	C5.1(4) & (5)	
4.255	BPR134	D1.1	
4.256	BPR134	D1.2	
4.257	BPR134	D1.3	
4.258	BPR134	D2.1	Revised to clarify that a bank must have a credit risk control unit that meets these conditions.
4.259	BPR134	D3.1	
4.260	BPR134	A1.3(1) & (2)	“Use test” material has been moved up to the “general requirements” in subpart A1.
4.261	BPR134	A1.3(3)	
4.262 (para 1)	BPR134	E1.1	
4.262 (para 2)	BPR134	E1.2(1) & (2)	Material on PD estimates has been grouped into section E1.2
4.263 (para 1)	BPR134	E1.2(3)	
4.263 (para 2, 1 <sup>st</sup> sentence)	BPR134	E1.2(4)	
4.263 (para 2, 2 <sup>nd</sup> sentence, and para 3)	BPR134	E1.3	
4.264	BPR134	E1.4(1)-(3)	
4.265	BPR134	E1.4(4)-(6)	

BS2B	BPR	Section	Comments
4.266	BPR134	E1.5	
4.267	BPR134	E1.6	
4.268	BPR134	E2.2	Footnote 70 in BS2B has been added to the definition of default itself.
4.269	BPR134	E2.3	
4.270	BPR134	E2.4	
4.271	BPR134	E2.1	This section has been put first in subpart E2, as it explains what the purpose is of having a definition of default.
4.272	BPR134	E2.5	
4.273	BPR134	E3.1 & E3.2	
4.274	BPR134	E4.1	
4.275 (1 <sup>st</sup> sentence)	BPR134	E5.6(1)	
4.275 (2 <sup>nd</sup> sentence)	–	–	Instead of this sentence, E5.1 is a new introductory section, and guidance after section E5.2 refers to later sections.
4.276 (para 1)	BPR134	E5.2	
4.276 (para 2)	BPR134	E5.6(2) & (3)	
4.277	BPR134	E5.3	
4.278	BPR134	E5.4	
4.279	BPR134	E5.5	
4.280	BPR134	E5.7	
4.281	BPR134	E5.8	
4.282	BPR134	E5.9	
4.283	BPR134	E5.10	
4.284	BPR134	E6.2	(E6.1 is new text providing cross-references.)
4.285	BPR134	E6.3	
4.286	BPR134	E6.4	
4.287	BPR134	E6.5	Cross-reference to BPR132 added.

BS2B	BPR	Section	Comments
4.288	BPR134	E6.6	BPR text clarifies that this is referring to the methodology specified in BPR133 for defaulted exposures.
4.289	BPR134	E6.7	
4.290	BPR134	E6.8	
4.291 (para 1)	BPR134	E7.2	Footnote from BS2B is added as guidance. (Note E7.1 is new text providing cross-references.)
4.291 (para 2)	BPR134	E7.3	Text clarified – reference to standardised conditions for on-balance sheet netting in BPR132 replaces FIRB material.
-	BPR134	E7.4	E7.4 is new, to clarify EAD calculation for counterparty credit risk. (Not dealt with in BS2B.)
4.291 (para 3)	BPR134	E7.5(1)-(3)	
4.292	BPR134	E7.5(4)-(5)	
4.293	BPR134	E7.6	
4.294	BPR134	E7.7	
4.295	BPR134	E7.8	
4.296	BPR134	E7.9	
4.297, 1 <sup>st</sup> and 2 <sup>nd</sup> paras	<b>BPR132</b>	BPR132, D2.3(1)	Duplicates first two sentences of 4.131. Footnote 73 to 4.197 has been added as guidance to D2.3(1).
4.297, 3 <sup>rd</sup> para	BPR132	BPR132, D2.4	
4.297, 4 <sup>th</sup> para	BPR132	BPR132, D2.5	
4.297, 5 <sup>th</sup> para	BPR132	BPR132, D2.6	Duplicates 4.99 and 4.108.
4.298	BPR132	BPR132 D2.2, except D2.2(4)(d)	Duplicates 4.129, 4.130 and 4.132
4.299	BPR132	BPR132, D2.7(1) to (3)	A lot of overlap with 4.100. 4.299 is the only source for BPR132 D2.7(1)(b).
4.300, 1 <sup>st</sup> para	–	–	This has been taken account of in the new layout, via material that applies to both credit derivatives and guarantees.
4.300, 2 <sup>nd</sup> para	BPR132	BPR132, D2.1(2), referring to D1.7	Another reference to asset mismatch treatment (see 4.119)

BS2B	BPR	Section	Comments
4.300, 3 <sup>rd</sup> and 4 <sup>th</sup> paras	BPR132	BPR132, D2.8(b) and (c)	Duplicates 4.133, 2 <sup>nd</sup> and 3 <sup>rd</sup> paragraphs.
4.300A	–	–	Cut – not relevant to IRB modelling standards.
4.301	–	–	Cut, FIRB only
4.302	<b>BPR133</b>	E1.3	Moved to the risk-weighting treatment of purchased receivables in BPR133, as it is part of the specific eligibility requirements for using the top-down approach.
4.303	<b>BPR134</b>	E8.1	
4.304	BPR134	E8.2	
4.305	BPR134	E8.3	
4.306	BPR134	E8.4	
4.307	BPR134	E8.5	
4.308	BPR134	E8.6	
4.309	BPR134	F1.1	
4.310	BPR134	F1.2	
4.311	BPR134	F1.3(1) to (3)	
4.312	BPR134	F1.3(4)	
4.313	BPR134	F1.4	
4.314 to 322	–	–	Cut – FIRB only.
4.323	<b>BPR131 and BPR133</b>	BPR133 C1.2(3), also BPR131 C2.17(3)	Definition of “residual risk” for the treatment of leases. Moved to the corresponding risk-weighting treatment of leases in both BPR131 and BPR133.
4.324	–	–	Lease treatment – duplicates BS2B section 4.205 (see above)
<b>Part 8: Advanced measurement approach for operational risk</b>			
8.1	<b>BPR151</b>	A1.1	
8.2	–	–	Definition of operational risk now given in Glossary.

BS2B	BPR	Section	Comments
8.3	BPR151	A1.2(1)	
8.3A	BPR151	A1.2(1)	
8.3B	BPR151	A1.2(2) to (4)	
8.4	BPR151	A1.3	The list of areas covered is now just covered in the contents page at the top.
8.5	BPR151	B1.2	
8.6	BPR151	B1.3	
8.7	BPR151	B1.4(1) and (2)	
8.8	BPR151	B1.4(3)	
8.9	BPR151	B1.5	
8.10	BPR151	B1.6	
8.11	BPR151	B1.7	
8.12	BPR151	B1.8(1) and (2)	
8.13	BPR151	B1.8(3)	
8.14	BPR151	B1.9	
8.15	BPR151	B2.2(1) and (2)	
8.16	BPR151	B2.2(3)	
8.17	BPR151	B2.3	
8.18	BPR151	B2.4(1)	
8.19	BPR151	B2.4(2)	
8.20	BPR151	B2.5(1)	
8.21	BPR151	B2.5(1) and (2)	
8.22	BPR151	B2.5(3)	
8.23	BPR151	B2.6	
8.24	BPR151	B2.7(1)	
8.25	BPR151	B2.7(2)	
8.26	BPR151	B2.7(3)	
8.27	BPR151	B2.7(4)	



BS2B	BPR	Section	Comments
8.28	BPR151	B2.8(1) and (2)	
8.29	BPR151	B2.8(3) and guidance after (1)	
8.30	BPR151	B2.9(1)	
8.31	BPR151	B2.9(2)	
8.32, 1 <sup>st</sup> sentence	BPR151	B2.10(1)	
8.32, 2 <sup>nd</sup> sentence	BPR151	B2.10(2)(a) and (3)	
8.33, 1 <sup>st</sup> sentence	BPR151	B2.10(2)(b)	
8.33(a)	BPR151	B2.10(4)(a)	
8.33(b)	BPR151	B2.10(4)(b)(i) and (6)	Formula provided in subsection (6) to clarify how phase-out works.
8.33(c)	BPR151	B2.10(4)(b)(ii)	
8.33(d)	BPR151	B2.10(4)(c)	Substantially revised for greater clarity.
8.33(e)	BPR151	B2.10(4)(d)	
8.33(f)	BPR151	B2.10(4)(e) and guidance	"Laid off to" corrected to "provided by".
8.33(g)	BPR151	B2.10(4)(f)	
8.34	BPR151	B2.10(5)	8.34(a) also refers again to maturity mismatch (covered in new section B2.10(6)).
Annex 2, table	BPR151	Appendix 2	
Annex 2, paragraphs 1-7	BPR151	B2.11	The Annex 2 table has been kept as a separate Appendix, but these paragraphs have been moved to the main text.
Annex 3	BPR151	Appendix 1	Order of Appendices switched, because Annex 3 is referred to first in the main text.

### (3) Closely matching parts of BS2A and BS2B

- BS2A and BS2B Parts 2 and 3 (Capital Definition and Capital Ratios)
- BS2A Subpart 4E and BS2B Sections 4.82A to 4.82U (CVA charge and CCP treatment)
- BS2A Part 6 and BS2B Part 5 (Funds Management and Securitisation)
- BS2A Part 7 and BS2B Part 6 (Insurance Business)
- BS2A Part 10 and BS2B Part 7 (Market Risk)

BS2A	BS2B	BPR	Section	Comments
<b>Part 2: Capital definition</b>				
4	2.1	<b>BPR110</b>	A1.1	
5	2.2	BPR110	A2.1	Several defined terms are revised, cut, or moved to the Glossary. "Significant investment" definition now included in BPR110 section B1.3.
6(1)	2.3	BPR110	A2.2(1)	
6(2)	2.4	BPR110	A2.2(2)	
6(3)(a)-(f)	2.5	BPR110	A2.3 & A2.4	Transitional recognition of previous instruments – completely revised in BPR110.
6(3)(g)	2.6	–	–	Cut, non-objection no longer needed for transitional instruments
7(1)	2.7	BPR110	B1.1	
7(2)	2.8	BPR110	B1.2	
7(3)(a)	2.9(a)	BPR110	B1.3	
7(3)(b)	2.9(b)	BPR110	B1.4	
7(3)(c)	2.9(c)	BPR110	B1.8	
7(3)(d)-(g)	2.9(d)-(g)	BPR110	B1.5	
7(3)(h)	2.9(h)	BPR110	B1.6	
7(3)(i)-(j)	2.9(i)-(j)	BPR110	B1.7	
7(3)(k)	2.9(k)	BPR110	B1.9(1) and (2)	
7(3)(l)	2.9(l)	BPR110	B1.10	

BS2A	BS2B	BPR	Section	Comments
7(3)(m)	2.9(m)	BPR110	B1.11	
7(3)(n)	2.9(n)	BPR110	B1.2(1) guidance	References to corresponding deductions approach (in Part C), which should not be specified as a deduction here.
7(3)(o)	2.9(p)	BPR110	B1.12	
–	2.9(o)	BPR110	B1.13	Expected loss deduction, only in BS2B as it only applies to IRB banks.
7(4)	2.10	BPR110	B1.9(3)	
7(5)	2.11	BPR110	Guidance after B1.2(1)	
8(1)	2.12	BPR110	B2.1	
8(2)(a)-(c)	2.13	BPR110	B2.2	
8(2)(d)	2.14	BPR110	Included in B2.2(1)	
9(1)	2.15	BPR110	B3.1	
9(2)(a)-(d)	2.16(a)-(d)	BPR110	B3.2(1), (2) & (4)	
9(2)(e)	2.17	BPR110	Included in B3.2(1)	
–	2.16(e)	BPR110	B3.2(3)	Eligible provisions in excess of expected loss, only in BS2B as it only applies to IRB banks.
10(1)	2.18	BPR110	C1.1(1), C1.2(1) & (2)	
10(2)	2.19	BPR110	C1.1(2)	
10(3)(a)	2.20(a)	BPR110	C1.3	
10(3)(b)	2.20(b)	BPR110	C1.4 & C1.6	C1.4 is significantly expanded, to deal with the case of a deduction of mixed capital classes. The common conditions applying to the two types of deduction are now in C1.6.
10(3)(c)	2.20(c)	BPR110	C1.5 & C1.6	Common conditions moved into C1.6, as with the above.

BS2A	BS2B	BPR	Section	Comments
10(3)(d) & (e)	2.20(d) & (e)	BPR110	C1.7	
10(4)	2.21	BPR110	C1.2(3)	
10(5)	2.22	BPR110	Guidance after C1.1	
<b>Subpart 2A: Ordinary shares</b>				
10a(1)(a)-(f), (j)-(k) and (m)	2.23(a)-(f), (j)-(k) and (m)	BPR110	D1.2	Source material has been re-ordered in D1.2
10a(1)(g)-(i)	2.23(g)-(i)	BPR110	D1.3	Requirements on CET1 distributions have been moved into a separate section.
10a(1)(l)	2.23(l)	BPR110	D1.4	Requirements around issuance have been moved into a separate section.
<b>Subpart 2B: Additional Tier 1 capital</b>				
10b(1)(a)-(c)	2.24(a)-(c)	BPR110	D2.3	D2.3(c) to (e) are new.
10b(1)(d)	2.24(d)	BPR110	D2.5(1)-(3)	
10b(1)(e)	2.24(e)	BPR110	D2.5(4)	
10b(1)(f)	2.24(f)	BPR110	D2.6	D2.6(4)(b) is new.
10b(1)(g)	2.24(g)	BPR110	D2.7(1)-(6), (8) and (9)	D2.7(7) (dividend stopper requirement) is new.
10b(1)(h)	2.24(h)	BPR110	D2.7(10)	The “such as” example, and the footnote, have been included as guidance.
10b(1)(i) & (j)	2.24(i) & (j)	BPR110	D2.8	
<b>Subpart 2C: Tier 2 capital</b>				
10c(1)(a)-(c)	2.25(a)-(c)	BPR110	D3.3 (except D3.3(1)(e))	Solvency test (for payments to be made) has been expanded.
10c(1)(d)	2.25(d)	BPR110	D3.5(1)	

BS2A	BS2B	BPR	Section	Comments
10c(1)(e)	2.25(e)	BPR110	D3.6	
10c(1)(f)	2.25(f)	BPR110	D3.5(2)-(3)	
10c(1)(g)	2.25(g)	BPR110	D3.5(4)	
10c(1)(h)	2.25(h)	BPR110	D3.7	D3.7(4)(b) is new, adding another case which will not be viewed as an incentive to redeem.
10c(1)(i)	2.25(i)	BPR110	D3.9(1)	
10c(1)(j)	2.25(j)	BPR110	D3.8	
10c(1)(k)	2.25(k)	BPR110	D3.9(2)-(3)	D3.9(4) is new.
10c(1)(l)	2.25(l)	BPR110	D3.3(1)(e)	New Zealand law condition tightened up, and put with other general requirements.
<b>Subpart 2D: Minority interests, etc</b>				
10d(1)	2.26	BPR110	E1.1(1)-(2)	
10d(2)	2.27	BPR110	E1.1(3)	References to the relevant sections applying in each case have been added.
10d(3)	2.28	BPR110	E1.1(4)-(5)	
10d(4)	2.29	BPR110	E1.2	
10d(5)	2.30	BPR110	E1.3(1)	
10d(6)	2.31	BPR110	E1.3(2)	
10d(7)	2.32	BPR110	E1.3(3)-(4)	Expanded to replace “7%” with the sum of the bank’s CET1 minimum ratio and buffer trigger ratio.
10d(8)	2.33	BPR110	E1.4	
10d(9)	2.34	BPR110	E1.5(1)	
10d(10)	2.35	BPR110	E1.5(3)	
10d(11)	2.36	BPR110	E1.5(4)-(5)	Reference to “8.5%” expanded, as above.
10d(12)	2.37	BPR110	E1.5(2)	
10d(13)	2.38	BPR110	E1.6	

BS2A	BS2B	BPR	Section	Comments
10d(14)	2.39	BPR110	E1.7(1)	
10d(15)	2.40	BPR110	E1.7(3)	
10d(16)	2.41	BPR110	E1.7(4)-(5)	Reference to “10.5%” expanded, as above.
10d(17)	2.42	BPR110	E1.7(2)	
<b>Subpart 2E: Loss absorbency: additional Tier 1 capital instruments</b>				
10e (all subsections )	2.43-2.55d	–	–	This whole Subpart is no longer needed.
<b>Subpart 2F: Loss absorbency: point of non-viability</b>				
10f (all subsections )	2.56-2.78	–	–	This whole Subpart is no longer needed.
<b>Subpart 2G: Capital instruments issued by SPV</b>				
10g(1)	2.79	BPR110	E2.1	
10g(2)	2.80	BPR110	E2.2	
<b>BS2A and BS2B</b>				
<b>Part 3: Capital ratios</b>			<b>BPR100</b>	
11	3.1	BPR100	B2.1	
11a	3.1A	BPR100	B2.6(1)	Note that BS2A sections 11a-13a, and the BS2B equivalents, all include the denominator of the ratio calculation, which is now defined in section B2.5(1) as “total RWA equivalents”.
12	3.2	BPR100	B2.6(2)	
13	3.3	BPR100	B2.6(3)	
–	3.3A	–	–	No equivalent in BS2A – this covers standardised RWAs for IRB banks, and is now dealt with more generally in BPR130.

BS2A	BS2B	BPR	Section	Comments
–	3.4	BPR100	B2.5(2)	“Supervisory adjustment” – no equivalent in BS2A. Now generalised, including the fall-back value of nil.
13a	3.4A	BPR100	B2.6(4)	
13b(1)-(3)	3.4B – 3.4D	BPR100	B2.6(6)	
13b(4)	3.4E	BPR100	B2.6(5)	
<b>BS2A Subpart 4E and BS2B sections 4.82A to 4.82U</b>			<b>BPR131</b>	
55A(1)	4.82A	<b>BPR131</b>	F1.1	Text expanded, eg to clarify the RWA amount for the CVA charge.
55A(2)	4.82B	BPR131	F2.1	The CVA formula has been improved, with some new terms added to make it clearer.
55A(3)	4.82C	BPR131	F2.3	The order of this section and the next has been switched. Guidance added to clarify that these are simply special cases of the general formula.
55A(4)	4.82D	BPR131	F2.2	
55A(5)	4.82E	BPR131	F2.4	
55A(6) main part	4.82F main part	BPR131	F2.5(1)	
55A(6)(a) and (b)	4.82F (a) and (b)	BPR131	F2.5(2)	
55A(7)	4.82G	BPR131	F2.5(3)	
55A(8)	4.82H	BPR131	F2.5(4)	
55A(9)	4.82I	BPR131	F2.5(5)	
55A(10)	4.82J	–	–	Text not needed.
55B(1)	4.82K	BPR131	G1.1	Text expanded, to explain this applies equally to standardised and IRB banks, and explain the “OTC” versus exchange-traded distinction.
55C(1)	4.82L	BPR131	G1.2	Most of the text is now guidance.
55D(1) & (2)	4.82M & 4.82N	BPR131	G2.1(1) and (2)	Text reorganised for clarity, and some put into guidance.
55D(3)	4.82O	BPR131	G2.1(3) and (4)	

BS2A	BS2B	BPR	Section	Comments
55E(1) (start)	4.82P (top part)	BPR131	G2.2(1) & (2)	Treatment is spelled out in full rather than referring back to previous case, for clarity.
55E(1)(a) and (b)	4.82P(a) and (b)	BPR131	G2.2(3)	
55E(2) first sentence	4.82Q first sentence	BPR131	G2.2(4)	Treatment spelled out more fully.
55E(2) second sentence	4.82Q second sentence	BPR131	G2.2(5)	
55F	4.82R	BPR131	G2.3	
55G	4.82S	BPR131	G2.4	Note that BS2A section 55G is not meant to be split into (1) and (2). G2.4 is considerably expanded – G2.4(5) has been added to cover the case where none of the conditions are met.
55H(1)	4.82T	BPR131	G3.1(1) to (3)	Expanded to clarify what “bilateral exposure” treatment means.
55H(2)	4.82U	BPR131	G3.1(4) to (6)	
<b>Part 6 (BS2A) and Part 5 (BS2B): Funds management and securitisation</b>				
94	5.0	<b>BPR160</b>	A1.1(2)	
95	5.1	BPR160	A1.1(3) and (4), A1.2(1) and guidance	
96	5.2	BPR160	A1.2(2) and guidance	
97	5.3	BPR160	A1.2(3) and guidance	
98	5.4	BPR160	A2.1(1)(a) and (b)	



BS2A	BS2B	BPR	Section	Comments
99	5.5	BPR160	A2.1(1)(c), (d) and (e)	This is not an exact correspondence: section 99 refers to different possible treatment in different cases, while section A2 only covers the cases where an SPV must be consolidated.
100, 1 <sup>st</sup> paragraph and (a)-(c)	5.6, 1 <sup>st</sup> paragraph and (a)-(c)	BPR160	A2.3(1) and (3)	This covers the case where consolidation is not required, and 3 options apply.
100, last paragraph	5.6, last paragraph	BPR160	A2.1(1)(c)	This goes back to the case where consolidation is required.
101	5.7	BPR160	A2.3(1) and (2)	
102	5.8	BPR160	A2.1(1)(d) and A2.2	This is the fourth case where consolidation is required: this section mainly sets out all the situations in which minimum separation is not achieved. 102(b) / 5.8(b) have been cut, as they duplicate disclosure requirements set by Order in Council.
103	5.9	BPR160	C1.1	Separate case cutting across the securitisation and insurance treatments. (See also BS2A section 109, BS2B section 6.3 below)
104	5.10	BPR160	Guidance following A2.2	
105	5.11	BPR160	A2.1(1)(e)	This is the fifth case where consolidation is required.
<b>Part 7 (BS2A) and Part 6 (BS2B): Insurance business</b>				
106	6.0	BPR160	Guidance after B1.1	
107	6.1	BPR160	B1.2	Definitions significantly re-worked.
108	6.2	BPR160	B2.1 and guidance	
109	6.3	BPR160	B3.1 and guidance, C1.1	109(e) / 6.3(e) duplicate disclosure requirements set by Order in Council, so has been cut. The effect 109(g) is discussed in guidance following B3.1, while the actual requirement is in Part C.
110	6.4	BPR160	B3.2	

BS2A	BS2B	BPR	Section	Comments
111-114	6.5-6.8	BPR160	Guidance after B3.2	These sections provide quite general discussion, hence presented as guidance.
<b>Part 10 (BS2A) and Part 7 (BS2B): Market risk</b>				
124	7.0	<b>BPR140</b>	A1.1(1) and guidance	
125	7.1	BPR140	A1.3, also B3.2(2)	The number of definitions has been substantially reduced, either because redundant or because they are covered in the Glossary.  The limitation on what proportion of rate-insensitive instruments can be treated as seasonal has been moved out of the definitions into B3.2.
126(1)	7.2	–	–	Cut, as this gives the wrong aggregation method: this clashes with BS2A section 131 / BS2B section 7.8.
126(2)	7.3	BPR140	B1.2(c)	
127(1) and (3)	7.4(a)-(c)	BPR140	B4.1	BPR140 text also reflects BS6.
127(2) (and part of 127(1))	7.4(b) (and part of 7.4(a))	BPR140	B1.3	Significantly expanded from BS6 text as well.
127(4)	7.4(d)	BPR140	B3.4	B3.4(b) is added, to refer to principles set out in B3.5
127(5)	7.4(e)	BPR140	B3.3	
128(1)	7.5(a)	BPR140	B2.1	
128(2)	7.5(b)(i)	BPR140	B2.2	
128(3)	7.5(b)(ii)	BPR140	B2.3	
128(4)	7.5(iii)	BPR140	B2.4	
129(1)	7.6(a)	BPR140	B5.1	Text about changing sign added.
129(2)	7.6(b)	BPR140	B5.2	Source material generally tidied up and clarified.
129(3)	7.6(c)	BPR140	B5.3	
130(a)	7.7(a)	BPR140	B6.1(2)	
130(b)	7.7(b)	BPR140	B6.2	

BS2A	BS2B	BPR	Section	Comments
130(c)(i)	7.7(c)(i)	BPR140	B6.3(1)-(3)	
130(c)(ii)	7.7(c)(ii)	BPR140	B6.3(4)	New text refers back to calculation already carried out for the within-zone disallowance, rather than repeating it.
130(c)(ii) to (vii)	7.7(c)(iii) to (vii)	BPR140	B6.4 – B6.6	New material has been sliced in a different way to the source, to try and make the whole approach clearer. The 3 sections cover, in turn, the across-zone disallowances for Zone 1/Zone 2, Zone 2/Zone 3, and Zone 1/Zone 3.
130(d)	7.7(d)	BPR140	B6.1(3)(a)	
130(e)	7.7(e)	BPR140	B6.1(3)(b)	
131	7.8	BPR140	B1.1	This is the correct aggregation for interest rate risk across currencies.
132(1) and (4)	7.9(a) and 7.10	BPR140	C1.1	
132(2)	7.9(d)	BPR140	C1.2(1)(a)	Rest of C1.2 comes from BS6
132(3)	7.9(b) and (c)	BPR140	C1.3	Significantly expanded with BS6 material.
133(1)	7.11(a)	BPR140	D1.1(1)	
133(2)	7.11(b)	BPR140	D1.2(1)(a)	
133(3)	7.11(c) and (d)	BPR140	D1.3(1)	Significantly expanded with BS6 material.
133(4)	7.12	BPR140	D1.1(2)	
134	7.13	BPR140	A2.1	

#### (4) BS6: Market risk guidance notes

(Applicable to both BS2A and BS2B market risk calculations)

BS6	BPR	Section	Comments
<b>BS6: Market risk guidance notes (BS6 para numbers)</b>			
Introductory paragraph	<b>BPR140</b>	A1.1(3) and guidance	
1	BPR140	A1.1(1)	
2	BPR140	A1.2(1) and (2)	
3	BPR140	Guidance after A1.2(2), 1 <sup>st</sup> paragraph.	
4	BPR140	Guidance after A1.2(2), 2 <sup>nd</sup> paragraph.	
5	BPR140	A1.2(3) and guidance	
6	–	–	Already covered in BS2A/B
7-12	–	–	Mainly relates to required disclosure of market risk, not needed as this simply summarises requirements in the disclosure OiCs.
13-14	BPR140	Second guidance box after A1.2	This summarises how the RBNZ framework differs from the Basel source. The BPR140 text is considerably abbreviated from BS6.
15	BPR140	Guidance box after A2.1	
16	BPR140	Cut, except for the cross-reference to the worked example in the Appendix, which appears as guidance after section B1.3.	Worked example of interest rate risk calculation from BS6 will be updated and attached to BPR140 when there is time.
17, 1 <sup>st</sup> sentence	BPR140	B3.1(1)	
17, 2 <sup>nd</sup> sentence	BPR140	B1.3(1)	This has been considerably updated, and also reflects BS2A/B sources.
18		–	Duplicated in BS2A/B

BS6	BPR	Section	Comments
19 & 20, 1 <sup>st</sup> sentence	BPR140	B3.5(1)	
20, bullet points	BPR140	B3.5(2)	Text revised in places for greater clarity
21	BPR140	B3.5(3) & (4)	
22	BPR140	Guidance box after B3.5	
23	–	–	Cut, does not add anything to the BS2A/B recognition of netting (BPR140 subpart B2).
24	BPR140	B3.2(1)	
25	BPR140	Guidance after B3.2(1)	Guidance on what is “low interest” has been cut from 3% to 0.5%.
26	BPR140	Guidance after B3.2(2)	
27	–	–	Cut, no longer relevant
28	–	–	Duplicated in BS2A/B
29	–	–	Relates to market risk disclosure, no longer relevant
30, 1 <sup>st</sup> bullet	BPR140	B1.4(1)(a)	
30, 2 <sup>nd</sup> bullet	BPR140	B1.4(1)(b)	
30, 3 <sup>rd</sup> bullet	BPR140	B1.5	Detailed reference and a link has been added to the relevant Basel market risk document, as the reference is quite obscure by now.
30, 4 <sup>th</sup> bullet	BPR140	B1.4(1)(c)	
31-33	–	–	Cut, as the detail is already provided in BS2A/B
34	BPR140	B4.1(1)	
35-37	BPR140	Guidance box after B4.1	Text abbreviated: reference in paragraph 35 to the option for banks to use actual modified duration is cut, as this is not provided in BSA/B.
38	BPR140	B6.1(1) & guidance box after B6.1	
39	BPR140	Guidance box after B6.1, first 3 paragraphs.	

BS6	BPR	Section	Comments
40	BPR140	Guidance box after B6.1, 4 <sup>th</sup> paragraph	
41-45	–	–	Duplicates BS2A/B material
46	BPR140	Guidance box after B6.1, last paragraph	
47	BPR140	Guidance box after section B5.2(3)	
48	–	–	This paragraph is quite confusing, and the main methodology point is already covered in BS2A/B
49	–	–	This duplicates B2A/B material, although some of the BS6 text (eg the term “basis risk”) has been incorporated in section B5.2.
50	BPR140	Guidance box after B5.3	
51	BPR140	Guidance box after B1.1	This paragraph of BS6 helps to confirm the correct approach for aggregation of interest rate risk across currencies.
52-54	–	–	Relates to calculation of peak intra-period capital charge, which is only for disclosure. This is sufficiently covered in the OiCs.
55	–	–	Superfluous text.
56	BPR140	C1.2(1) & (2)	C1.2(1) also includes some BS2A/B text
57	–	–	Duplicates BS2A/B text
58	BPR140	C1.3(1) to (5)	The BPR140 text also incorporates some BS2A/B text, and some revisions.
59	BPR140	C1.3(6)	
60	BPR140	C1.2(3) & (4)	
61-62	–	–	Duplicates BS2A/B material.
63	–	–	Superfluous text.
64	BPR140	D1.2(1)	BPR140 text combines the BS6 paragraph with the BS2A/B source.
65	–	–	Duplicates BS2A/B material

BS6	BPR	Section	Comments
66	–	–	The reference to the present value approach seems incorrect, so has not been kept. The rest of this section is already covered in BS2A/B material.
67	BPR140	D1.2(2)	
68	–	–	Repeats part of paragraph 66, duplicated in BS2A/B in any case.
69	BPR140	D1.3(2)	
70-71	–	–	Duplicates BS2A/B material.
Appendix 1	–	–	The aim is to add a corrected and updated version of the sample calculation as time permits.

## (5) BS12: ICAAP

BS12	BPR	Section	Comments
1	<b>BPR100</b>	Cover page, explanation of guidelines	Reference to section 78(1)(f) has been removed as it not so certainly an applicable basis for the ICAAP material.
2	BPR100		
3	BPR100		
4	BPR100	D1.2	
5	BPR100	D1.3	
6	BPR100	D1.4	
7	BPR100	D2.1	
8	BPR100	D3.1	Re-ordered, as this does not fall under the subpart D2 purpose.
9	BPR100	D2.2	
10	BPR100	D2.3	
11	BPR100	D2.4	
12	BPR100	D3.2	
13	BPR100	D3.3	Lists of examples in BS12 have been included in BPR100 as guidance. The footnote referring to interest rate risk in the banking book has been deleted, as it is no longer relevant.
14	BPR100	D3.4(1)	The "for example" text has been included as guidance.
15	BPR100	D3.4(2)	
16	BPR100	D3.4(3) to (5)	
17	BPR100	D3.5(1) to (3)	
18	BPR100	D3.5(4)	
19	BPR100	D3.6(1) and (2)	
20	BPR100	D3.6(3)	
21	BPR100	D3.7	
22	BPR100	D3.8	



## (6) BS16: Capital Process requirements

BS16	BPR		Comments
1	<b>BPR120</b>	A1.1(2)	Introduction – A1.1 is expanded from BS16, to reflect additional processes covered in BPR120
2	BPR120	A1.2(3)	
3	BPR120	A1.2(2)	
4	–	–	Non-application to branches – now covered in BPR100 generally.
5 & guidance	BPR120	B1.1 & guidance	Re-worded for shift from non-objection to notification.
6-13	–	–	All of this is cut, no longer needed for process only involving notification.
14	BPR120	B1.4	
15	BPR120	B1.5	Title corrected from “inter-group” to “intra-group”.
16	BPR120	B1.2 & B1.3	Under the new notification-only process, the “final application” is replaced by the single “legal sign-off” step. The content has changed significantly.
17-19	–	–	Tax opinion no longer needed, since Tier 2 debt instruments may no longer have write-off or conversion features.
20	BPR120	C1.2	
21	BPR120	C1.3	
22 & guidance	BPR120	C2.2 & guidance	Text has been revised in some areas: to clarify that capital is expected to be above buffer as well as above capital minimums, and for at least 1 year after replacement/ repayment. Also to clarify that “replacement” means same total amount.
23	BPR120	C2.3	
24	BPR120	C2.4	
Guidance after 24	BPR120	Guidance after both C2.3 & C2.4	
25	BPR120	C2.5	Approval approach for amendments to capital instrument terms replaced by notification and sign-off approach.

BS16	BPR		Comments
26	BPR120	C1.1 & C2.1	Notification mechanics moved from Subpart C3 (supporting information) to each of Subpart C1 and C2 (notifications and capital amendments).
27	BPR120	C3.1	
28	BPR120	C3.3	Order of BS16 paragraphs 28 & 29 switched in BPR120, to align with order of requirements in subpart C2.
29	BPR120	C3.2	
Appendix A	–	–	Non-objection flowchart deleted – not needed for simple legal sign-off process.