

**Prudential – Investment, Insurance Intermediation and Banking Rules (PRU)**

\*In this attachment underlining indicates new text and striking through indicates deleted text.



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## 1.2 Glossary

### 1.2.1 The following terms and abbreviations bear the following meanings for the purpose of these Rules.

Virtual Asset	Has the meaning given in section 258 of FSMR.
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## 3.7 Expenditure Based Capital Minimum

### 3.7.1 An Authorised Person, other than one that has a Financial Services Permission to carry out the Regulated Activity of Providing Third Party Services, must calculate its Expenditure Based Capital Minimum as:

- (a) in the case of an Authorised Person engaged in Providing Custody in respect of Virtual Assets, 26/52nds;
- (~~a~~b) in the case of an Authorised Person which holds Client Assets or Relevant Money or Insurance Money, 18/52nds;
- (~~b~~c) in the case of an Authorised Person in Category 3B or 3C which does not hold Client Assets or Relevant Money or Insurance Money, 13/52nds; or
- (~~e~~d) in the case of an Authorised Person in Category 4, which does not hold Insurance Money, 6/52nds;

of the Annual Audited Expenditure, calculated in accordance with Rule 3.7.2.

#### Guidance

1. An Authorised Person is considered to be holding Relevant Money and subject to (~~a~~b) where it offers Payment Services alongside currency exchange or Money Remittance.
2. An Authorised Person undertaking only one or both of currency exchange and Money Remittance to its customers, but not Payment Services, is considered not to hold Client Assets, in the form of Client Money, or Relevant Money and (~~b~~c) applies.

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