

# **Appendix 3**

## **Detailed Worked Example of the Consolidated Requirements**

This would be the main landing page  
for the Consolidated Requirements.

# Consolidated Requirements

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## **Part 1 Getting started at Lloyd's**

Rules about getting started as a member (investor), managing agent or members' agent, or as an intermediary or annual subscriber.

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## **Part 2 Operating at Lloyd's**

Rules about core activities and roles within the Lloyd's market, general operational matters, and conduct, disputes and complaints

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## **Part 3 Exiting Lloyd's**

Rules about exiting the Lloyd's market for members, intermediaries and annual subscribers

This is what someone might see if they selected 'Getting started...' on the previous page.

# Getting started

## Membership

Rules regarding getting started with investing capital at Lloyd's as a member of the Society, including requirements for becoming a member, providing security ('Funds at Lloyd's or 'FAL') and underwriting as a member.

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## Underwriting

Rules regarding getting started as a new managing agent or members' agent or as an approved run-off company.

## Intermediaries

Rules regarding delegation of authority by managing agents, and regarding who can act as approved coverholders and approved delegated claims administrators.

## Annual subscribers

Rules regarding applications for registration as an annual subscriber.

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## Getting started > **Membership**

### **Admission to membership**

General rules about becoming a member, i.e. an investor participating in underwriting in the Lloyd's market as a member of the Society

### **Funds at Lloyd's**

Rules about the security, known as Funds at Lloyd's or FAL, that new members must provide

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### **Underwriting**

Rules about members' participation in Lloyd's market business, including restrictions on members doing other business and setting premium limits

### **Application requirements and documentation**

Rules about the process for applying to become a member

### **Standard strategic asset allocation**

Rules about the asset classes in which members' capital may be invested

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## Getting started > Membership > **Funds at Lloyd's**

### **High level requirements**

General requirements about FAL from the Membership Byelaw and the Requirements made under the Membership Byelaw, and requirements regarding the FAL Online Portal

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### **Providing capital**

More detailed rules from the M&URs regarding members' obligations to provide FAL, including member capital requirements, what is included in 'member's assets', and the 'coming into line' process

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### **Acceptable assets**

Rules about the assets that can be included in FAL

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## Getting Started > Membership > Funds at Lloyd's > **High Level Requirements**

### General requirements

1. The *Council* may prescribe conditions and requirements that *members* (or any class or group thereof) shall provide security in respect of their underwriting business at Lloyd's in such form, in such amounts and held on such terms as the Council may specify ("*funds at Lloyd's*").  
Membership Byelaw, para 16
2. The requirements prescribed under paragraph 16 of the Membership Byelaw in respect of funds at Lloyd's are set out in [the Membership & Underwriting Conditions and Requirements] [as updated from time to time].  
Requirements made under the Membership Byelaw, para 6 [if amended]
3. *Funds at Lloyd's* may comprise –  
(a) *Lloyd's deposits*;  
(b) *special reserve funds*;  
(c) *personal reserve funds*; and  
(d) any other items or allowances which the *Council* may approve for the purpose and being in such form and held on such terms as the *Council* may specify,  
and may differ in respect of different *members* or different classes of *members*.  
Membership Byelaw, para 17

## Getting Started > Membership > Funds at Lloyd's > **High Level Requirements**

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| 4.  | No <i>member</i> shall at any time without the prior written consent of the <i>Council</i> charge, assign or agree to charge or assign or otherwise restrict, encumber or dispose of any interest in the whole or any part of a <i>Lloyd's deposit</i> . Every <i>member</i> shall also procure that any <i>third party depositor</i> shall not at any time without the prior written consent of the <i>Council</i> charge, assign or agree to charge or assign or otherwise restrict, encumber or dispose of any interest in the whole or any part of a <i>Lloyd's deposit</i> . | Membership Byelaw, para 18 |
| 5.  | No asset forming part of the <i>Lloyd's deposit</i> of a <i>member</i> shall be transferred to that <i>member</i> unless the <i>Council</i> is satisfied that his liabilities arising out of or in connection with his underwriting business at Lloyd's have been satisfied, discharged or otherwise satisfactorily provided for or that the balance remaining of the <i>Lloyd's deposit</i> will be sufficient to meet those liabilities.  | Membership Byelaw, para 19 |
| 6.  | <b>FAL Online Portal</b>  | M&URs, section 1.6         |
| 6.1 | No member shall underwrite insurance business at Lloyd's unless they have, and have procured that any Third Party Capital Provider has, registered for, and agreed to the terms of use of, the FAL Online portal that provides access to FAL data and documents.  | M&URs, 1.6.A               |
| 6.2 | From a date or dates to be specified by the Society, use of the FAL Online portal and the onboarding portal referred to elsewhere in these conditions and requirements will be mandatory.   | M&URs, 1.6.B               |

## Getting started > Membership > **Funds at Lloyd's**

### **High level requirements**

General requirements about FAL from the Membership Byelaw and the Requirements made under the Membership Byelaw, and requirements regarding the FAL Online Portal

### **Providing capital**

More detailed rules from the M&URs regarding members' obligations to provide FAL, including member capital requirements, what is included in 'member's assets', and the 'coming into line' process

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### **Acceptable assets**

Rules about the assets that can be included in FAL



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## Getting Started > Membership > Funds at Lloyd's > **Providing capital**

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| 1.  | <b>Provision of member's capital</b>   | M&URs, 2.1.A       |
| 1.1 | No member shall underwrite at Lloyd's unless they have executed the relevant trust deeds pursuant to which their FAL will be held, as identified in [Appendix 2 to the Membership & Underwriting Conditions and Requirements].   | M&URs, section 2.1 |
| 1.2 | Any member that underwrites or is proposing to underwrite both general business and long-term business must maintain separate FAL or FIS for each type of business, each in an amount determined in accordance with paragraph [2.4] below.   | M&URs, 2.1.B       |
| 1.3 | Where FAL in respect of a member are to be provided or procured directly or indirectly by a third party, the member shall procure the provision to the Society of:<br>a) a Third Party Funding Arrangement form, in whichever of the prescribed forms is applicable, completed by the third party; and<br>b) a copy of any agreement evidencing the provision or procurement of FAL. | M&URs, 2.1.C       |
| 1.4 | No third party shall provide FAL on behalf of a member without the prior approval of the Society.  | M&URs, 2.1.D       |
| 1.5 | A member which is the sole member of a syndicate the managing agent of which is a connected company may satisfy their FAL requirement through the provision of FIS within the managing agent's sub-fund.   | M&URs, 2.1.E       |
| 1.6 | A member shall not by any voluntary act or omission effect or permit any reduction in the value of their member's assets below their Adjusted ECA, except for the purpose of meeting any Lloyd's obligations in accordance with the terms of a trust deed under which any such member's assets are held.   | M&URs, 2.1.F       |

## Getting Started > Membership > Funds at Lloyd's > **Providing capital**

2.	<b>Member's capital requirement</b>	M&URs, section 2.2
2.1	A member's solvency capital requirement (SCR) is derived from the agreed SCR for each syndicate (including any syndicate in a box and Special Purpose Arrangement) on which that member participates.	M&URs, 2.2.A
2.2	The SCR of a member that only supports one syndicate will be the member's share of the syndicate as a proportion (up to 100%) of the syndicate's SCR. For a member that underwrites on more than one syndicate, the SCR will be the aggregate of the member's shares of each syndicate's SCR, subject to a diversification credit.	M&URs, 2.2.B
2.3	The Society applies a Capital Uplift to the member's SCR, via an uplift to the underlying syndicate SCRs, to determine the economic capital assessment requirement (ECA) for that member. The purpose of the Capital Uplift is to meet the Society's financial strength, licence and ratings objectives. Where applicable, a member's ECA will be increased by a Capital Loading imposed pursuant to paragraph [3.2D of M&URs – ref to be added] below to determine the member's Adjusted ECA. For the avoidance of doubt, the Adjusted ECA of a member that has not had a Capital Loading imposed will be the same as the member's ECA.	M&URs, 2.2.C
2.4	Subject to paragraph [2.5] and to paragraph [3.] below, every member shall provide FAL (or, where available, FIS) so that their member's assets are in an amount not less than their Adjusted ECA, as determined in accordance with the provisions at paragraphs [2.1] – [2.3] above. A member which underwrites both general and long term business shall, for the purposes of this paragraph, have a separate Adjusted ECA for each type of business	M&URs, 2.2.D
2.5	Where a member has ceased underwriting and all of its underwriting years of account have closed, the capital requirement for that member will be determined by reference to an assessment of the member's overseas tax liabilities as set out in paragraph [6E of M&URs – ref to be added].	M&URs, 2.2.E

## Getting Started > Membership > Funds at Lloyd's > **Providing capital**

3.	<b>Member's assets</b>	M&URs, section 2.3
3.1	<p>For the purposes of these conditions and requirements, "member's assets" represents, at any one time, the aggregate net position of the member's participation at Lloyd's and comprises:</p> <ol style="list-style-type: none"> <li>1. FAL (including interest on cash and income arising thereon if paid into FAL and as determined in accordance with [section 3 – ref to be updated], as well as any assets available for distribution to the member);</li> <li>2. FIS (if any);</li> <li>3. the member's share of a syndicate's solvency result once that result has been notified to the Council;</li> <li>4. liabilities in respect of any Request for Funds</li> </ol>	M&URs, 2.3.A
4.	<b>Coming into Line</b>	M&URs, section 2.4
4.1	The process by which a member provides or procures FAL to meet its Adjusted ECA requirement is known as coming into line (CIL).	M&URs, 2.4.A
4.2	<p>Prior to commencing underwriting, a new member must provide or procure the required level of FAL as determined by its Adjusted ECA:</p> <ol style="list-style-type: none"> <li>a) for a member that commences underwriting on 1 January, FAL will be required to be in place by close of business on the Q4 Corridor Test Deadline (or, where part of those FAL are provided by way of a LOC or Guarantee, by the Cut-Off Date); and,</li> <li>b) for a member that commences underwriting on a different date, FAL will be required to be in place in accordance with a timetable agreed with an Authorised Person.</li> </ol>	M&URs, 2.4.B

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| 4.3 | The Society will perform a Capital Test in Q2 of each year, the details of which will be set out in the Annual CIL Statement published on Working Day 10 of Q2. Subject to paragraph 2.5D below, where a member's assets, as defined in paragraph 2.3 above, are less than its most recent Adjusted ECA, the member will be required to provide or procure additional FAL or FIS so that their total member's assets are at least equal to their Adjusted ECA.   | M&URs, 2.4.C |
| 4.4 | Subject to paragraph 2.5D below, where a member's assets are in excess of the amount of their Adjusted ECA, the member may make an application to release the surplus from FAL or FIS.   | M&URs, 2.4.D |
| 4.5 | The relevant date for valuing a member's FAL or FIS will be 31 December of the preceding year and the deadline for providing or procuring additional FAL or FIS will be the Annual CIL Date. For FAL provided by way of a LOC or Guarantee, the deadline is the Mid-Year Cut-Off Date.   | M&URs, 2.4.E |
| 4.6 | Any member that does not hold member's assets in an amount equal to or higher than their Adjusted ECA at the Annual CIL Date will be served with an Overdue Notice and required to pay an administrative fine. Should the member have failed to make good the shortfall within 10 Working Days, the Council will be asked to make a direction under paragraph 40 of the Membership Byelaw that the member cease underwriting at the end of the then current year of account, unless the member undertakes to and subsequently does sell sufficient capacity in the capacity auctions to provide funds in an amount equal to or higher than 150% of the CIL shortfall. Subject to compliance with all applicable requirements (including the payment of all outstanding sums owed to the Society), a member may recommence underwriting no earlier than 12 months after the end of the year of account in which the Council direction was given. An individual member may not recommence underwriting other than through a limited liability vehicle. | M&URs, 2.4.F |
| 4.7 | A member may elect to hold a higher level of capital in an amount of up to 165% of their Adjusted ECA.   | M&URs, 2.4.G |
| 4.8 | Any member that has been issued with an administrative fine pursuant to paragraph [2.5H of the M&URs – ref to be completed] below shall not be deemed to have CIL unless that administrative fine has been settled in full by the Annual CIL Date.   | M&URs, 2.4.H |

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More detailed rules from the M&URs regarding members' obligations to provide FAL, including member capital requirements, what is included in 'member's assets', and the 'coming into line' process

### **Acceptable assets**

Rules about the assets that can be included in FAL

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| 1.  | <p><b>Acceptable assets within FAL</b></p> <p>General requirements</p>   | M&URs, section 3.1 |
| 1.1 | <p>A member's FAL shall only be invested in assets and instruments that comply with the PRA Rulebook applicable to Solvency II firms and all other applicable legal and regulatory requirements, and whose risks can be properly identified, measured, monitored, managed, controlled, reported and appropriately taken into account in the assessment of the member's overall solvency needs.</p>   | M&URs, 3.1.A       |
| 1.2 | <p>A member must ensure that their FAL is held in accordance with the most recent guidance by the PRA in accordance with the Solvency II: Prudent Person Principle [link to be inserted]. This includes, but is not limited to, investment strategy, investment risk management, counterparty risk, diversification, outsourcing of investment activities, exposure to non-traded assets, valuation uncertainty and intra-group loans and participations.</p>  | M&URs, 3.1.B       |
| 1.3 | <p>Subject to paragraph [1.5] below, a member's FAL shall only be invested in assets and instruments that:</p> <ul style="list-style-type: none"> <li>a) are cash, LOCs or Guarantees (subject to the applicable provisions in paragraphs [1.10 – 1.20]) and assets or holdings as categorised by the CIC codes provided for in [Appendix 3 to the Membership &amp; Underwriting Conditions and Requirements]; and</li> <li>b) (subject to paragraph R) are capable of being settled electronically; and</li> <li>c) are denominated in an acceptable currency (see paragraph 3.4A); and</li> <li>d) (other than Illiquid Assets) are capable of being accurately and fairly valued on an ongoing basis (in practice this means at least once every month) and are sufficiently liquid to enable realisation at or around the quoted price; and</li> <li>e) (except for cash, LOCs and Guarantees, Collective Investment Undertakings, Alternative Assets or Illiquid Assets) are of a class quoted or listed on an approved stock exchange or are traded on a regulated market; and</li> <li>f) are neither in, nor have been issued by, a corporate member; and</li> </ul> | M&URs, 3.1.C       |

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g) are neither in, nor have been issued by, any company in an Ineligible Group; and

h) are neither in, nor have been issued by, an underwriting agent registered to act as such by the Society, and

i) have been cleared under the Society's sanctions screening process.

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| 1.4 | In the event that a member's FAL comprise assets which cease to be acceptable assets, and the member (or their members' agent, if applicable) has been advised that this is the case, the member shall procure that such assets are replaced within 30 days or by the next Corridor Test Deadline if earlier.  | M&URs, 3.1.D |
| 1.5 | <p>Assets that cannot be settled electronically are no longer permitted to be held in FAL. Such assets that are held in FAL at the date on which these requirements came into force will be grandfathered. These assets include, but are not limited to:</p> <ul style="list-style-type: none"> <li>a) Guarantees (subject to paragraph 3.1R below)</li> <li>b) National Savings Certificates</li> <li>c) Life Assurance Policies and Bonds</li> <li>d) Annuities</li> </ul> | M&URs, 3.1.E |
| 1.6 | <p>Assets may only be transferred into FAL if beneficially owned by the member or Third Party Capital Provider at the time of transfer and will only be accepted from a verified bank account or investment manager approved by the Society.</p> <p>EIOPA CIC Codes</p>  | M&URs, 3.1.F |
| 1.7 | EIOPA CIC codes categorise each asset by a) asset category; and b) underlying risk, as demonstrated by [Appendix 4 to the Membership & Underwriting Conditions and Requirements].  | M&URs, 3.1.G |

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1.8	[Appendix 3 to the Membership & Underwriting Conditions and Requirements] describes those assets that are acceptable in FAL by CIC category, in accordance with EIOPA definitions <a href="#">[link]</a> .	M&URs, 3.1.H
1.9	The Society may update Appendix 3 and Appendix 4 [to the Membership & Underwriting Conditions and Requirements] from time to time on reasonable prior notification to members (including by way of market bulletin). Further guidance is provided on the FAL Online portal.	M&URs, 3.1.I
	Letters of Credit and Guarantees	
1.10	Subject to paragraphs [1.11], [1.16 –1.17] (in the case of LOCs), and [1.18 –1.19] (in the case of Guarantees), FAL maybe provided in the form of a LOC or Guarantee.	M&URs, 3.1.J
1.11	Where a member wishes to use a particular credit institution to provide a LOC or Guarantee they should contact an Authorised Person to establish whether the credit institution is an Approved Credit Institution.	M&URs, 3.1.K
1.12	The Society monitors the quantum of LOCs and Guarantees that an Approved Credit Institution may issue at the aggregate level. Before entering into any new LOC or Guarantee arrangement, a member should confirm with an Authorised Person that the issue of their proposed LOC or Guarantee will not breach the aggregate limits for the Approved Credit Institution.	M&URs, 3.1.L
1.13	LOCs and Guarantees are classified as tier 2 assets under Solvency II and treated as ancillary own funds that require approval by the PRA.	M&URs, 3.1.M
1.14	Where a member intends to provide a LOC or Guarantee as part of its FAL, a maximum threshold of ECA is applied for members with an ECA over a prescribed limit (see Appendix 3, including footnote 2 [to the Membership & Underwriting Conditions and Requirements], and the guidance on the FAL Online portal, for further details).	M&URs, 3.1.N



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| 1.15 | For a LOC or Guarantee under notice of cancellation to remain eligible for FAL it must not be due to expire on or before 30 September in the fourth year following the then last Annual CIL Date so that, for example, if the LOC or Guarantee is due to expire on or before 30 September 2025 it will not be an acceptable asset for the 2022 and any subsequent year of account.  | M&URs, 3.1.O |
| 1.16 | <p>A LOC issued on behalf of a member must:</p> <ul style="list-style-type: none"> <li>a) contain the terms set out in Lloyd's prescribed form without any material additions to such terms and have been completed in strict compliance with the notes for completion set out therein;</li> <li>b) have been issued or confirmed by an Approved Credit Institution;</li> <li>c) have been issued on the headed notepaper of the issuer or confirmer or sent by an authenticated teletransmission system such as SWIFT;</li> <li>d) be denominated in an approved currency (as set out in paragraph [3]);</li> <li>e) unless an Authorised Person otherwise agrees, be effective as of 1st January or 30th June of the year in relation to which it is given;</li> <li>f) be clean and irrevocable;</li> <li>g) be subject to not less than 4 years' notice of cancellation;</li> <li>h) be governed by English law and subject to the exclusive jurisdiction of the English courts;</li> <li>i) if issued or confirmed after 31 December 1994 have not been issued or confirmed on the basis that the collateral (if any) securing the repayment of any amounts payable under it comprises directly or indirectly a security interest over a principal private residence unless the Members' Agent of the member on whose behalf such a LOC has been issued has satisfied itself that the person who has provided such collateral security has readily realisable assets outside Lloyd's at least equal in value to the face value of the LOC. This limitation shall not apply in relation to a LOC issued in connection with an interavailability arrangement in substitution of a LOC issued on or before 31 December 1994.</li> </ul> | M&URs, 3.1.P |

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| 1.17 | For a LOC or Guarantee under notice of cancellation to remain eligible for FAL it must not be due to expire on or before 30 September in the fourth year following the then last Annual CIL Date so that, for example, if the LOC or Guarantee is due to expire on or before 30 September 2025 it will not be an acceptable asset for the 2022 and any subsequent year of account.  | M&URs, 3.1.Q |
| 1.18 | LOCs or Guarantees in paper form will remain acceptable assets for FAL purposes until such time that they can be accepted by the Society electronically. From the point in time at which LOCs or Guarantees can be accepted electronically (as notified by the Society), any existing LOCs or Guarantees in paper form will be grandfathered (pursuant to paragraph [1.5] above) but not capable of amendment in that form, and new LOCs or Guarantees will need to be submitted electronically in order to be accepted by the Society into FAL.  | M&URs, 3.1.R |
| 1.19 | <p>A Guarantee must:</p> <ul style="list-style-type: none"> <li>a) in the case of Guarantees issued on behalf of an individual member, be –             <ul style="list-style-type: none"> <li>i) if given (or to be given) by joint guarantors, in the relevant Lloyd's prescribed form and have been completed and executed in strict compliance with the relevant notes for completion;</li> <li>ii) if given (or to be given) by an Approved Credit Institution, in the relevant Lloyd's prescribed form and have been completed and executed in strict compliance with the relevant notes for completion;</li> </ul> </li> <li>b) in the case of Guarantees issued on behalf of a corporate member, be –             <ul style="list-style-type: none"> <li>i) if given (or to be given) by joint guarantors, in the relevant Lloyd's prescribed form and have been completed and executed in strict compliance with the relevant notes for completion;</li> <li>ii) in the case of any other Guarantee, in the relevant Lloyd's prescribed form and have been completed and executed in strict compliance with the relevant notes for completion;</li> </ul> </li> <li>c) have been provided by an Approved Credit Institution, an approved building society or an approved life assurance company;</li> <li>d) be denominated in an approved currency (as set out in paragraph [3];</li> </ul> | M&URs, 3.1.S |

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- e) unless an Authorised Person otherwise agrees, be effective as of 1st January or 30th June of the year in relation to which it is given;
- f) be subject to not less than 4 years' notice of cancellation;
- g) be governed by English law and subject to the exclusive jurisdiction of the English courts; and
- h) if provided after 31 December 1994 have not been provided on the basis that the collateral (if any) securing the repayment of any amounts payable under it comprises directly or indirectly a security interest over a principal private residence unless the Members' Agent of the member on whose behalf such a guarantee has been issued has satisfied itself that the person who has provided such collateral security has readily realisable assets outside Lloyd's at least equal in value to the face value of the guarantee.

This limitation shall not apply in relation to a guarantee issued in connection with an interavailability arrangement in substitution of a guarantee issued on or before 31 December 1994.

1.20	If any Guarantee a member wishes to hold in FAL is collateralised by a person other than the member, the name of that person must be provided to the Society and they must be approved as a Third Party Capital Provider by the Society.	M&URs, 3.1.T
1.21	A member may invest up to 10% of their FAL or FIS in Illiquid Assets, subject to the prior approval of an Authorised Person. Illiquid Assets shall be categorised as non-core assets.	M&URs, 3.1.U
2.	<b>Strategic asset allocation requirements</b>  Standard strategic asset allocation requirements	M&URs, section 3.2
2.1	A member's Aggregate Capital is required to comply with the standard strategic asset allocation (SSAA) requirements as set out in Appendix 3 [to the Membership & Underwriting Conditions and Requirements], which identifies admissible assets by CIC code per asset class.	M&URs, 3.2.A

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| 2.2 | <p>Each asset class identified in Appendix 3 [to the Membership &amp; Underwriting Conditions and Requirements]:</p> <ul style="list-style-type: none"> <li>a. has a maximum SSAA limit expressed as a percentage of Aggregate Capital; and</li> <li>b. is categorised as a 'core' or 'non-core' asset. Non-core asset classes must comply with individual asset class limits and the aggregate non-core asset class limit.</li> </ul> <p>Issuer exposure</p>     | M&URs, 3.2.B |
| 2.3 | <p>Each asset class identified in Appendix 3 [to the Membership &amp; Underwriting Conditions and Requirements]:</p> <ul style="list-style-type: none"> <li>a. has a maximum SSAA limit expressed as a percentage of Aggregate Capital; and</li> <li>b. is categorised as a 'core' or 'non-core' asset. Non-core asset classes must comply with individual asset class limits and the aggregate non-core asset class limit.</li> </ul> <p>Capital loading</p>     | M&URs, 3.2.C |
| 2.4 | <p>If a member's Aggregate Capital does not comply with the SSAA as required under paragraph [2.1] the member may be subject to an additional capital loading. The FAL Online portal includes details of:</p> <ul style="list-style-type: none"> <li>a. the additional capital loading per asset class;</li> <li>b. the method of calculation of a member's capital loading; and</li> <li>c. worked examples for the application of a capital loading.</li> </ul> | M&URs, 3.2.D |

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2.5	An additional capital loading will apply: a. to any amount in excess of an individual asset class limit; and then b. to any amount in excess of the aggregate non-core asset class limit.	M&URs, 3.2.E
3.	<b>Acceptable currencies</b>	M&URs, section 3.4
3.1	The acceptable currencies in which FAL or FIS may be held are USD, GBP, EUR, AUD, CAD and JPY.	M&URs, 3.4.A
3.2	In the case where a member has appointed an investment manager with an execution only mandate, a member must ensure that the asset is acceptable pursuant to paragraph [1.8] and that sufficient cash is in place and in the correct currency for a trade to settle.	M&URs, 3.4.B
3.3	A member must hold a bank account, verified by the Society, for all cash transactions relating to FAL. One or more bank accounts must be in place that are able to accept each currency held by the member within FAL.	M&URs, 3.4.C
3.4	The release or transfer out of any assets from FAL will be made in the currency in which the assets are held. Any assets will only be released to the member or Third Party Capital Provider and the cash element to the bank account verified by the Society in the currency it is held.	M&URs, 3.4.D
3.5	A member's share of a syndicate's result will (if a profit) be distributed to a member in the currency in which they are reported (USD and/or GBP). In the event of a loss, either new money must be submitted (in USD and/or GBP as appropriate) to cover the loss, or FAL held in other currencies will be converted by the Society to provide the right currency to settle the loss.	M&URs, 3.4.E

## Getting Started > Membership > Funds at Lloyd's > **Acceptable Assets**

- |     |   |                    |
|-----|---|--------------------|
| 4.  | <b>Restriction on mortgage - corporate member</b>   | M&URs, section 3.5 |
| 4.1 | No corporate member shall create or permit to exist over all or part of the monies and assets comprising its FAL or any other fund established by it as security for the payment of its underwriting liabilities (or, in either case, any interest therein) any mortgage, charge, pledge, lien, assignment, encumbrance, right of set-off, title transfer or retention arrangement or agreement, or any security interest whatsoever (other than in favour of the Society or as permitted or required under these conditions and requirements). | M&URs, 3.5.A       |
| 5.  | <b>Variation</b>  | M&URs, section 3.6 |
|     | Nothing in these conditions and requirements shall prevent the Council or an Authorised Person from varying the categories of assets which are acceptable as FAL or FIS from time to time.  |                    |