STATUTORY INSTRUMENTS

2019 No. 632

The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019

PART 7

Transitional Powers of the Financial Regulators

Giving, and effect, of transitional directions

200.—(1) A transitional direction—

(a) may not be given more than 2 years after exit day,

(b) may specify the period in relation to which it has effect, subject to paragraph (2),

(c) may be given subject to conditions, and

(d) may be given to a particular person or particular persons, or to persons of a description specified in the direction.

(2) A transitional direction—

(a) is of no effect in relation to times before it is given,

(b) is of no effect in relation to times before exit day, and

(c) is of no effect in relation to times more than 2 years after exit day (without prejudice to any continuing effect in relation to earlier times).

(3) A regulator may not give a transitional direction, or a set of two or more transitional directions, to any person or persons unless the regulator is satisfied that the direction, or the directions viewed collectively, will prevent or mitigate disruption that could reasonably be expected to arise—

(a) for the person, or

(b) (as the case may be) for the persons viewed collectively,

from compliance with the unmodified obligation, or with the unmodified obligations viewed collectively, at times in relation to which the direction is, or the directions are, to have effect.

(4) The Financial Conduct Authority may not give a transitional direction, or a set of two or more transitional directions, unless the Authority is satisfied that doing so would not adversely affect the advancement of its key objectives viewed collectively; and here the reference to the Authority's key objectives is to its objectives set out in section 1B of the Act, read with section 1IA of the Act(**1**).

(5) The Prudential Regulation Authority may not give a transitional direction, or a set of two or more transitional directions, unless the Authority is satisfied that doing so would not adversely affect the advancement of its objectives under the Act(**2**).

(**1**) Section 1B was inserted by section 6 of the Financial Services Act 2012; section 1IA was inserted by section 2 of the Financial Services (Banking Reform) Act 2013.

(**2**) See sections 2B to 2D of the Act, which were inserted by section 6 of the Financial Services Act 2012. Section 2B was amended by section 1 of the Financial Services (Banking Reform) Act 2013.

(6) The Bank of England may not give a transitional direction, or a set of two or more transitional directions, unless the Bank is satisfied that doing so would not adversely affect the advancement of the Bank's financial stability objective set out in section 2A(1) of the Bank of England Act 1998(**3**).

(7) For the purposes of this regulation, two or more transitional directions given by a regulator are a "set" if the regulator declares them to be a set.

(**3**) 1998 c.11; section 2A was inserted by section 238 of the Banking Act 2009 (c.1).