
STATUTORY INSTRUMENTS

2019 No. 632

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

PART 2

Amendments to the Act

CHAPTER 1

Part 1A of the Act: the regulators

Introduction

2. Part 1A of the Act⁽¹⁾ (the regulators) is amended as follows.

Section 1A (the Financial Conduct Authority)

3. In section 1A (the Financial Conduct Authority), in subsection (6)(d) for “qualifying EU provision” substitute “qualifying provision”.

Section 1H (further interpretative provisions for sections 1B to 1G)

4.—(1) Section 1H⁽²⁾ (further interpretative provisions) is amended as follows.

(2) In subsection (2)(d), for “credit institutions” substitute “qualifying credit institutions”.

(3) In subsection (8)—

(a) omit the definition of “credit institution”⁽³⁾;

(b) in the definition of “relevant ancillary service”, for “Section B of Annex I to the markets in financial instruments directive” substitute “Part 3A of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001”⁽⁴⁾.

Section 1L (supervision, monitoring and enforcement)

5. In section 1L⁽⁵⁾ (supervision, monitoring and enforcement), in subsection (2)(b) for “qualifying EU provision” substitute “qualifying provision”.

(1) Part 1A of the Financial Services and Markets Act 2000 (comprising sections 1A to 3S) was substituted by section 6 of the Financial Services Act 2012 (c.21).

(2) Section 1H was inserted by section 6(1) of the Financial Services Act 2012 and was amended by sections 27(1), (2)(a) and (2)(b) of the Financial Guidance and Claims Act 2018 (c.10) and S.I. 2013/655, 2013/1881, 2013/3115, 2017/752 and 2018/135.

(3) This definition was amended by S.I. 2013/3115.

(4) S.I. 2001/544.

(5) Section 1L was amended by S.I. 2013/1773.

Section 2AB (functions of the PRA)

6. In section 2AB(6) (functions of the PRA), in subsection (3)(d)(7) for “qualifying EU provision” substitute “qualifying provision”.

Section 3E (memorandum of understanding)

7. In section 3E(8) (memorandum of understanding between regulators) omit subsection (3)(a).

Section 3I (power of PRA to require FCA to refrain from specified action)

8. In section 3I(9) (power of PRA to require FCA to refrain from specified action), in subsection (8) omit “EU obligation or any other”.

Section 3J (power of PRA in relation to with-profits policies)

9. In section 3J(10) (power of PRA in relation to with-profits policies), in subsection (8) omit “EU obligation or any other”.

Section 3M (directions relating to consolidated supervision of groups)

10.—(1) Section 3M(11) (directions relating to consolidated supervision of groups) is amended as follows.

(2) In subsection (1) (which refers to supervision required in pursuance of any of the relevant directives), for “any of the relevant directives” substitute—

“(a) any implementing provision contained in subordinate legislation (within the meaning of the Interpretation Act 1978) made otherwise than by any of the following—

(i) statutory instrument, and

(ii) statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)); or

(b) any other implementing provision (as amended from time to time),”(12).

(3) After subsection (2) insert—

“(2A) “Implementing provision” means an enactment that immediately before exit day implemented provisions of any of the relevant directives.”.

(4) In subsection (10) omit “EU obligation or any other”.

CHAPTER 2**Part 3 of the Act: authorisation and exemption****Introduction**

11. Part 3 of the Act (authorisation and exemption) is amended as follows.

(6) Section 2AB was substituted by section 12 of the Bank of England and Financial Services Act 2016 (c.14) and amended by S.I. 2018/1115.

(7) Subsection (3)(d) was amended by S.I. 2018/1115.

(8) Section 3E was substituted by section 6(1) of the Financial Services Act 2012.

(9) Section 3I was amended by sections 3(a), (b) and 129 and paragraphs 1 and 4 of Part 1 to Schedule 8 to the Financial Services (Banking Reform) Act 2013 (c.33).

(10) Section 3J was substituted by section 6(1) of the Financial Services Act 2012.

(11) Section 3M was amended by S.I. 2013/3115 and 2014/3329.

(12) In the Interpretation Act 1978 (c.30), “subordinate legislation” has the meaning given by section 21(1) of that Act.

Section 39 (exemption of appointed representatives)

- 12.**—(1) Section 39 (exemption of appointed representatives) is amended as follows.
- (2) In subsection (1A)(**13**), in paragraph (a)—
- (a) for “credit institution” substitute “qualifying credit institution”;
 - (b) for “a person mentioned in Article 3.1 (optional exemptions) of the markets in financial instruments directive” substitute “a firm which has a Part 4A permission to carry on regulated activities as an exempt investment firm within the meaning of regulation 8 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701)”.
- (3) In subsection (1AA)(**14**)—
- (a) in paragraph (a), for “credit institution” substitute “qualifying credit institution”;
 - (b) in paragraph (b) omit “as defined by Article 4.1.43 (definitions) of the markets in financial instruments directive”.
- (4) In subsection (1B)(**15**), for the words after ““the applicable register” is” substitute “the record maintained by the FCA by virtue of section 347(1)(ha)”.
- (5) In subsection (1BA)(**16**), in paragraph (b)—
- (a) after “of a kind” insert “that”;
 - (b) in sub-paragraph (i), before “specified” insert “is”;
 - (c) for sub-paragraph (ii) substitute—
“*(ii) relates to mortgage agreements entered into on or after 21st March 2016,*”.
- (6) In subsection (4)(**17**), for “qualifying EU provision” substitute “qualifying provision”.
- (7) For subsection (7)(**18**) substitute—
- “(7) A person carries on “investment services business” if, under the full and unconditional responsibility of only one investment firm on whose behalf the person acts, the person—
- (a) promotes investment services or ancillary services to the firm’s clients or prospective clients,
 - (b) receives and transmits instructions or orders from clients in respect of investment services or financial instruments,
 - (c) places financial instruments, or
 - (d) provides advice to clients or prospective clients in respect of investment services or financial instruments.”.
- (8) For subsection (8)(**19**) substitute—
- “(8) In this section—
- “ancillary services” means any of the services and activities listed in Part 3A of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544);

(13) Subsection (1A) was inserted by S.I. 2007/126 and has been amended by S.I. 2015/910 and 2017/701.

(14) Subsection (1AA) was inserted by S.I. 2017/701.

(15) Subsection (1B) was inserted by S.I. 2007/126 and was amended by paragraph 5 of Schedule 18 to the Financial Services Act 2012 and by S.I. 2017/701.

(16) Subsection (1BA) was inserted by S.I. 2015/910.

(17) Subsection (4) was substituted by paragraph 1 of Schedule 18 to the Financial Services Act 2012.

(18) Subsection (7) was inserted by S.I. 2007/126 and has been amended by S.I. 2017/701.

(19) Subsection (8) was amended by S.I. 2013/3115 and 2017/701.

“financial instruments” means those instruments specified in Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

“investment services” means any of the services and activities listed in Part 3 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, relating to any of the instruments listed in Part 1 of that Schedule;

“structured deposit” has the meaning given by Article 2.1.23 of the markets in financial instruments regulation.”(20).

Section 39A (certain tied agents operating outside United Kingdom)

13.—(1) Section 39A(21) (certain tied agents operating outside United Kingdom) is amended as follows.

(2) In subsection (1)(a), for the words after “who is” substitute “established in the United Kingdom; and”.

(3) In subsection (4), for the words after “Condition B is that” substitute “the FCA is satisfied that no such business is, or is likely to be, carried on by the agent in the United Kingdom.”.

(4) In subsection (6)(c)(22) omit sub-paragraph (ii).

(5) In subsection (6)(d)(23) omit “or register”.

(6) For subsection (8)(24) substitute—

“(8) Section 39(7) applies for the purposes of this section.”.

(7) In subsection (9) omit the definition of “competent authority”(25).

(8) The amendments made by paragraphs (2), (3) and (7) do not apply during the three-year transitional period in relation to contracts entered into before exit day.

(9) In relation to such contracts, section 39A(6)(d) has effect during the three-year transitional period as if “or on the register of tied agents of an EEA State maintained pursuant to Article 29 of [Directive 2014/65/EU](#) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments” were inserted after “entered on that record”.

(10) In paragraphs (8) and (9) “the three-year transitional period” means the period that—

- (a) begins with exit day, and
- (b) ends at the end of the period of three years starting with the first day after exit day.

CHAPTER 3

Part 4A of the Act: permission to carry on regulated activities

Introduction

14. Part 4A of the Act(26) (permission to carry on regulated activities) is amended as follows.

Section 55D (application for permission)

15.—(1) Section 55D (firms based outside EEA) is amended as follows.

(2) In the heading, for “EEA” substitute “the United Kingdom”.

(20) Part 3A was inserted by [S.I. 2018/1403](#).

(21) Section 39A was inserted by [S.I. 2007/126](#).

(22) Subsection (6)(c) was substituted by [S.I. 2017/701](#).

(23) Subsection (6)(d) was amended by [S.I. 2017/701](#).

(24) Subsection (8) was amended by [S.I. 2017/701](#).

(25) This definition was amended by [S.I. 2017/701](#).

(26) Part 4A was inserted by section 11(2) of the Financial Services Act 2012.

- (3) For “non-EEA”, wherever occurring, substitute “non-UK”.
- (4) In subsection (1)(a) for “EEA” substitute “United Kingdom”.

Section 55J (variation and cancellation of Part 4A permission: general)

16.—(1) Section 55J(27) (variation or cancellation on initiative of regulator) is amended as follows.

- (2) In subsection (6A)—
 - (a) in paragraph (c)—
 - (i) for the words from “provide” to “managers directive” substitute “carry on the management of portfolios of investments in accordance with mandates given by investors on a discretionary, and client-by-client, basis”;
 - (ii) for “the capital requirements directive” substitute “any enactment (as amended from time to time) that immediately before exit day implemented provisions of the capital requirements directive”;
 - (b) in paragraph (e)—
 - (i) for sub-paragraph (i) substitute—
 - “(i) an AIFMD requirement;”;
 - (ii) omit sub-paragraphs (ii) and (iii);
 - (iii) for sub-paragraph (iv), including the “or” at the end, substitute—
 - “(iv) an ELTIF requirement; or”;
 - (iv) for sub-paragraph (v) substitute—
 - “(v) an MMF requirement.”.
- (3) After subsection (6A), insert—
 - “(6AA) For the purposes of subsection (6A)(e)—
 - (a) an AIFMD requirement is a provision of—
 - (i) the Alternative Investment Fund Managers Regulations 2013,
 - (ii) any EU regulation, originally made under the alternative investment fund managers directive, which is retained direct EU legislation,
 - (iii) any provision made by or under this Act that immediately before exit day implemented provisions of the alternative investment fund managers directive (as that implementing provision is amended from time to time), or
 - (iv) any subordinate legislation (within the meaning of the Interpretation Act 1978) which is made under a power substituted for a power of an EU entity to make a directly applicable regulation under the alternative investment fund managers directive by regulations made under section 8 of the European Union (Withdrawal) Act 2018;
 - (b) an ELTIF requirement is a provision of—
 - (i) Regulation (EU) No. 2015/760 of the European Parliament and of the Council of 29th April 2015 on European Long-term Investment Funds (“the ELTIF Regulation”),
 - (ii) any EU regulation, originally made under the ELTIF Regulation, which is retained direct EU legislation, or

- (iii) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the ELTIF Regulation on or after exit day;
- (c) an MMF requirement is a provision of—
 - (i) the MMF Regulation,
 - (ii) any EU regulation, originally made under the MMF Regulation, which is retained direct EU legislation, or
 - (iii) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the MMF Regulation on or after exit day.”.
- (4) In subsection (6B)—
 - (a) in paragraph (c), omit “, in accordance with Chapter 11 of the mortgages directive,”;
 - (b) in paragraph (d)—
 - (i) for “implements” substitute “sets”;
 - (ii) omit “set out in the mortgages directive”.
- (5) Omit subsection (7).
- (6) In subsection (7ZA)—
 - (a) in the words before paragraph (a), after the words “managing a”, insert “UK”;
 - (b) for paragraph (c) substitute—
 - “(c) an MMF requirement.”.
- (7) In subsection (7ZB), for the words after “requirement” substitute—

“imposed by—

 - (a) the market abuse regulation,
 - (b) any EU regulation, originally made under the market abuse regulation, which is retained direct EU legislation, or
 - (c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the market abuse regulation on or after exit day.”.
- (8) After subsection (12), insert—
 - “(13) In this section “enactment” has the meaning given by section 3T.”.

Section 55K (variation and cancellation of Part 4A permission: investment firms)

- 17.** In section 55K (investment firms: particular conditions that enable cancellation), in subsection (1)—
- (a) in paragraph (c) omit the words from “pursuant”, in the first place it occurs, to “that Chapter,”;
 - (b) in paragraph (d) for the words from “the operating conditions” to “that Chapter,” substitute “any retained direct EU legislation, or any provision made by or under this Act, which sets the operating conditions”.

Section 55KA (variation and cancellation of Part 4A permission: insurance undertakings etc.)

18. In section 55KA(28) (insurance undertakings etc.), in subsection (1)(b)(i), for the words from “a finance scheme” to the end substitute “, in accordance with requirements imposed by or under this Act, a finance scheme for restoring compliance with the appropriate capital requirement;”.

Section 55PA (imposition and variation of requirements)

19. Omit section 55PA(29) (assets requirements imposed on insurance undertakings or reinsurance undertakings).

Section 55Q (exercise of power in support of overseas regulator)

20.—(1) Section 55Q(30) (exercise of power in support of overseas regulator) is amended as follows.

(2) Omit subsection (4).

(3) In subsection (5), in the words before paragraph (a), for the words from “do so” to “EU obligation, it” substitute “exercise its own-initiative powers in response to a request, the UK regulator”.

(4) Omit subsection (7).

(5) In subsection (8), for “subsection” substitute “subsections (5) and”.

Section 55R (connected persons)

21. In section 55R (persons connected with an applicant), omit subsections (4) to (9)(31).

Section 55S (additional permissions)

22. Omit section 55S (duty of FCA or PRA to consider other permissions).

Sections 55Z1 to 55Z2A (notification)

23. Omit sections 55Z1 to 55Z2A(32) (notification of ESMA, EBA and European bodies).

CHAPTER 4

Part 5 of the Act: performance of regulated activities

Introduction

24. Part 5 of the Act (performance of regulated activities) is amended as follows.

Section 59 (approval for particular arrangements)

25. In section 59 (approval for particular arrangements) omit subsection (8)(33).

(28) Section 55KA was inserted by [S.I. 2015/575](#).

(29) Section 55PA was inserted by [S.I. 2015/575](#).

(30) There are other amending instruments but none is relevant.

(31) Subsections (4) to (6) were inserted by [S.I. 2013/3115](#); subsections (7) to (9) were inserted by [S.I. 2017/701](#); there are other amending instruments but none is relevant.

(32) Section 55Z2 was amended by [S.I. 2013/3115](#) and [S.I. 2015/486](#); section 55Z2A was inserted by [S.I. 2013/3115](#).

(33) Subsection (8) was amended by [S.I. 2012/1906](#).

Section 63E (certification of employees by relevant authorised persons)

26. In section 63E(34) (certification of employees by relevant authorised persons) omit subsection (7).

Section 66A (misconduct: action by the FCA)

27. In section 66A (misconduct: action by the FCA) in subsection (4)(b)(35) for “qualifying EU provision” substitute “qualifying provision”.

Section 66B (misconduct: action by the PRA)

28. In section 66B (misconduct: action by the PRA) in subsection (4)(b)(36) for “qualifying EU provision” substitute “qualifying provision”.

Section 71D (sections 71B and 71C: conditions)

29. In section 71D (sections 71B and 71C: conditions) in subsection (2) for “any measure of a kind described in Article 27(1) of the recovery and resolution directive” substitute “any measure defined as a “relevant measure” by article 107 of the Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348)”.

Section 71I (sections 71B to 71H: interpretation)

- 30.—(1) Section 71I(37) (sections 71B to 71H: interpretation) is amended as follows.
- (2) In subsection (2)(b) for “an EEA parent” substitute “a UK parent”.
- (3) In subsection (3)—
- (a) for “an EEA parent” substitute “a UK parent”;
 - (b) for “any EEA state” substitute “the United Kingdom”.
- (4) In subsection (4) for “Article 2.1(2) and 2.1(3) of the recovery and resolution directive” substitute “article 2(1) of the Bank Recovery and Resolution (No. 2) Order 2014”.
- (5) In subsection (5)—
- (a) in the definition of “consolidating supervisor”, for “an EEA parent” substitute “a UK parent”;
 - (b) omit the definition of “the recovery and resolution directive”.

CHAPTER 5**Part 7 of the Act: control of business transfers****Introduction**

31. Part 7 of the Act (control of business transfers) is amended as follows.

Section 105 (insurance business transfer schemes)

- 32.—(1) Section 105 (insurance business transfer schemes) is amended as follows.
- (2) In subsection (1)—

(34) Section 63E was inserted by section 29 of the Financial Services (Banking Reform) Act 2013.

(35) Section 66A was inserted by section 32(2) of the Financial Services (Banking Reform) Act 2013.

(36) Section 66B was inserted by section 32(2) of the Financial Services (Banking Reform) Act 2013.

(37) Section 71I was inserted by S.I. 2016/1239.

- (a) in paragraph (a) for “one of the conditions” substitute “the condition”;
 - (b) in paragraph (b) for “an EEA State” substitute “the United Kingdom”.
- (3) For subsection (2)(**38**) substitute—
- “(2) The condition is that the whole or part of the business carried on in the United Kingdom by an authorised person who has permission to effect or carry out contracts of insurance (“the transferor concerned”) is to be transferred to another body (“the transferee”).”.
- (4) In subsection (3)(**39**)—
- (a) omit Case 2;
 - (b) in Case 3—
 - (i) in paragraph (b) for “(none of which is an EEA State)” substitute “outside the United Kingdom”;
 - (ii) in paragraph (b) for “an EEA State”, in the second place it occurs, substitute “the United Kingdom”;
 - (iii) in paragraph (c) for “other than an EEA State” substitute “outside the United Kingdom”.
- (5) In subsection (4)(**40**) omit “2,”.

Further amendments to Part 7 of the Act

- 33.**—(1) In section 111 (sanction of the court for business transfer schemes) in subsection (2) (a)(**41**) for “certificates have” substitute “certificate has”.
- (2) In section 112 (effect of order sanctioning business transfer scheme) omit subsection (9)(**42**).
- (3) Omit sections 114 (rights of certain policyholders), 114A(**43**) (notice of transfer of reinsurance contracts) and 116 (effect of insurance business transfers authorised in other EEA States).

CHAPTER 6

Part 9A of the Act: rules and guidance

Introduction

- 34.** Part 9A of the Act (rules and guidance) is amended as follows.

Section 137J (rules about recovery plans: duty to consult)

- 35.** In section 137J(**44**) (rules about recovery plans: duty to consult), in subsection (6)(**45**)—
- (a) for the definition of “institution” substitute—

““institution” means—

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- (**38**) Subsection (2) was amended by [S.I. 2007/3253](#) and paragraph 2 of Schedule 1 to the Financial Services (Banking Reform) Act 2013.
 - (**39**) Subsection (3) was amended by [S.I. 2007/3253](#) and paragraph 2 of Schedule 1 to the Financial Services (Banking Reform) Act 2013.
 - (**40**) Subsection (4) was amended by [S.I. 2007/3253](#).
 - (**41**) Subsection (2)(a) was amended by paragraph 4(3)(a) of Schedule 1 to the Dormant Bank and Building Society Accounts Act 2008 ([c.31](#)).
 - (**42**) Subsection (9) was amended by [S.I. 2008/1468](#) and paragraph 2 of Schedule 1 to the Financial Services (Banking Reform) Act 2013.
 - (**43**) Section 114A was inserted by [S.I. 2007/3253](#).
 - (**44**) Part 9A of the Financial Services and Markets Act 2000 (consisting of sections 137A to 141A) was inserted by section 24(1) of the Financial Services Act 2012.
 - (**45**) Subsection (6) was substituted by [S.I. 2014/3348](#).

- (a) a credit institution, other than an entity mentioned in Article 2.5 of the capital requirements directive; or
 - (b) an investment firm as defined in Article 4.1(2) of the capital requirements regulation that is subject to the initial capital requirement specified in rules made by a regulator for the purpose of implementing Article 28(2) of the capital requirements directive;”;
- (b) in the definition of “institution authorised in the UK”, for “an institution which is an authorised person and” substitute “an authorised person who is”.

Section 137N (recovery plans and resolution packs: restriction on duty of confidence)

36. In section 137N (recovery plans and resolution packs: interpretation), in subsection (5)(**46**), in the definition of “qualifying parent undertaking” omit paragraph (b) and the “or” preceding it.

Section 137Q (price stabilising rules)

37.—(1) Section 137Q (price stabilising rules) is amended as follows.

(2) In subsection (3A)(b)(**47**) for “EEA” substitute “United Kingdom”.

(3) For subsection (5)(**48**) substitute—

“(5) In this section references to Article 5 of the market abuse regulation include—

- (a) any technical standards originally adopted or made under that Article which are retained direct EU legislation, and
- (b) any technical standards made under that Article by the FCA.”.

Section 137R (financial promotion rules)

38.—(1) Section 137R (financial promotion rules) is amended as follows.

(2) In subsection (5)(b)(**49**), for the words from “requirements” to “insurance distribution directive,” substitute “listed requirements”.

(3) In subsection (5)(c)(**50**), for “requirements mentioned in paragraph (b)” substitute “listed requirements”.

(4) After subsection (5) insert—

“(5A) In subsection (5) “the listed requirements” means—

- (a) requirements under the law of any part of the United Kingdom that appear to the FCA to correspond to requirements of—
 - (i) Articles 24 (general principles and information to clients) and 25 (assessment of suitability and appropriateness and reporting to clients) of the markets in financial instruments directive,
 - (ii) Commission Delegated Directive (EU) 2017/593 of 7 April 2016, so far as adopted under those Articles,
 - (iii) Article 77 of the UCITS directive,
 - (iv) Articles 10 and 11 of the mortgages directive, or

(46) Subsection (5) was amended by [S.I. 2014/3348](#).

(47) Subsection (3A) was substituted by [S.I. 2016/680](#).

(48) Subsection (5) was inserted by [S.I. 2016/680](#).

(49) Subsection (5)(b) was amended by [S.I. 2015/910](#), [2017/701](#) and [2018/546](#).

(50) Subsection (5) was amended by [S.I. 2015/910](#), [2017/701](#) and [2018/546](#).

- (v) Article 17 of the insurance distribution directive, and
- (b) requirements of any retained direct EU legislation originally made under Article 24(13) or 25(8) of the markets in financial instruments directive.”(51).

Section 138K (consultation: mutual societies)

39. In section 138K(52) omit subsections (5)(d)(53) and (6) (references to EEA mutual societies).

Section 139A (power of the FCA to give guidance)

40. In section 139A (power of the FCA to give guidance), in subsection (4)(54) for “or a directly applicable regulation made under the market abuse regulation” substitute “, any retained EU direct legislation originally made under the market abuse regulation or any subordinate legislation (within the meaning of the Interpretation Act 1978) made on or after exit day under the market abuse regulation”.

Section 141A (power to make consequential amendments of references to rules etc)

41. In section 141A (power to make consequential amendments of references to rules etc), after subsection (4) insert—

“(5) A regulator’s power under Part 2 of the Powers Regulations to amend its rules is treated for the purposes of this section as a power under this Part; and for this purpose “the Powers Regulations” means the Financial Regulators’ Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115).”.

CHAPTER 7

Part 11 of the Act: information gathering and investigations

Introduction

42. Part 11 of the Act (information gathering and investigations) is amended as follows.

Section 165A (PRA’s power to require information: financial stability)

43.—(1) Section 165A(55) (PRA’s power to require information: financial stability) is amended as follows.

(2) In subsection (8), in the definition of “management”, for “Annex II to the UCITS Directive” substitute “Schedule 6 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(56)”.

(3) In subsection (9)(b)(57), for the words from “meaning given” to the end substitute “same meaning as in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (see article 3(1) of that Order).”.

(51) Commission Delegated Directive (EU) 2017/593 was published at OJ No. L 87, 31.3.2017, p 500 – 517.

(52) Section 138K was inserted by section 24(1) of the Financial Services Act 2012.

(53) Subsection (5) was amended. None of these amendments is relevant.

(54) Subsection (4) was inserted by S.I. 2016/680.

(55) Section 165A was inserted by sections 18 (1) and (2) of the Financial Services Act 2010 (c. 28) and was amended by section 41 of, and paragraphs 2(a), (b) of Part 1 of Schedule 12 to, the Financial Services Act 2012 and section 16 of, and paragraphs 26, 37(1), (2)(a), (2)(b), (3) of Part 2 of Schedule 2 to, the Bank of England and Financial Services Act 2016 (c. 14) and S.I. 2017/1255.

(56) S.I. 2001/544.

(57) Subsection (9) was amended by S.I. 2017/1255.

Section 167 (appointment of persons to carry out general investigations)

44. Omit section 167(3A)(58) (investigations of persons in other EEA States).

Section 168 (appointment of persons to carry out investigations in particular cases)

45. In section 168 (appointment of investigators: particular cases), in subsection (4)—

- (a) in paragraph (jc)(ii)(59) for “a directly applicable EU regulation made” substitute “any retained EU direct legislation originally made under the market abuse regulation or any subordinate legislation (within the meaning of the Interpretation Act 1978) made on or after exit day”;
- (b) in paragraph (k)(60) for “qualifying EU provision” substitute “qualifying provision”.

Section 169 (investigations etc. in support of overseas regulator)

46. Omit section 169(3)(61) and (6)(62) (investigations in connection with EU obligations).

Section 169A (support of overseas regulator with respect to financial stability)

47. In section 169A(63) (support of overseas regulator with respect to financial stability), in subsection (4)(b) for “169(3), (4)(a) and (d), (5) and (6)” substitute “169(4)(a) and (d) and (5)”.

CHAPTER 8

Part 12 of the Act: control over authorised persons

Introduction

48. Part 12 of the Act (control over authorised persons) is amended as follows.

Section 184 (disregarded holdings)

49. In section 184(64) (disregarded holdings)—

- (a) in subsection (4)—
 - (i) in paragraph (a)(65), for the words from “article 4.1.7” to “directive” substitute “article 2.1.6 of the markets in financial instruments regulation”;
 - (ii) for paragraph (b), substitute—
 - “(b) has a Part 4A permission to carry on one or more investment services and activities.”;
- (b) in subsection (5), for “credit institution” substitute “qualifying credit institution”;
- (c) in subsection (6)—
 - (i) in the opening words and in paragraph (b)), for “credit institution” substitute “qualifying credit institution”;

(58) Subsection (3A) was inserted by [S.I. 2015/575](#).

(59) Paragraph (jc) was substituted by [S.I. 2017/1255](#).

(60) Paragraph (k) was substituted by section 41 of, and paragraphs 8(1) and (4)(g) of Part 1 of Schedule 12 to, the Financial Services Act 2012.

(61) Subsection (3) was amended by section 41 of, and paragraphs 9(1) and (3) of Part 1 of Schedule 12 to, the Financial Services Act 2012 and [S.I. 2011/1043](#).

(62) Subsection (6) was substituted by section 41 of, and paragraphs 9(1) and (5) of Part 1 of Schedule 12 to, the Financial Services Act 2012 and [S.I. 2011/1043](#).

(63) Section 169A was inserted by sections 18(1) and (3) of the Financial Services Act 2010.

(64) Section 184 was substituted by [S.I. 2009/534](#).

(65) Section 184(4)(a) was substituted by [S.I. 2017/701](#).

- (ii) in paragraph (a)(ii), omit the words from “in accordance with” to the end;
- (d) in subsection (7)(66), for “Article 2.1(b) of the UCITS Directive” substitute “section 237(2)”;
- (e) in subsection (9A)(67), for the words from “Commission” to “financial instruments” substitute “the market abuse regulation and the Commission Delegated Regulation (EU) No. 1052/2016 of 8 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and the Council with regard to the regulatory technical standards for conditions applicable to buy-back programmes and stabilisation measures”.

Section 186 (assessment criteria)

50. In section 186(68) (assessment criteria), in paragraph (f)(i), for the words from “within the” to “terrorist financing” substitute “as defined in regulation 3(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017”(69).

Section 188 (assessment: consultation with EC competent authorities)

51. Omit section 188 (assessment: consultation with EC competent authorities)(70).

Section 189 (assessment: procedure)

52. In section 189(71) (assessment: procedure), in subsections (1A), (1ZB)(a) and (1ZB)(b), for “credit institution” substitute “qualifying credit institution”.

Section 190 (requests for further information)

53. In section 190 (requests for further information)(72), in subsection (4)—

- (a) in paragraph (a)(73), for “European Union” substitute “United Kingdom”;
- (b) for paragraph (b)(74), substitute—

“(b) is not subject to supervision under the laws of the United Kingdom (or any part of the United Kingdom) relied on immediately before exit day to implement—

- (i) the UCITS directive;
- (ii) the Solvency 2 Directive;
- (iii) the markets in financial instruments directive; or
- (iv) the capital requirements directive,

including rules made by the appropriate regulator under this Act, in force on exit day, and, as amended from time to time, in all other cases.”.

(66) Section 184(7) was amended by [S.I. 2011/1613](#).

(67) Section 184(9A) was inserted by [S.I. 2015/1755](#).

(68) Section 186 was substituted by [S.I. 2009/534](#).

(69) [S.I. 2017/692](#).

(70) Section 188(1) was substituted by section 26(2) of the Financial Services Act 2012 (c. 21) and [S.I. 2009/534](#) and [2013/3115](#).

(71) Section 189 was inserted by [S.I. 2009/534](#). Subsection (1A) was inserted by [S.I. 2014/3329](#), and subsection (1ZB) by paragraph 39 of Schedule 2 to the Bank of England and Financial Services Act 2016.

(72) Section 190 was substituted by [S.I. 2009/534](#).

(73) Section 190(4)(a) was amended by [S.I. 2011/1043](#).

(74) Section 190(4)(b) was substituted by [S.I. 2015/575](#).

Section 190A (assessment and resolution)

54. In section 190A(75) (assessment and resolution), in subsections (1)(a), (1)(c) and (7), for “credit institution” substitute “qualifying credit institution”.

Section 191A (objection by the appropriate regulator)

55. In section 191A (objection by the appropriate regulator), omit subsection (5)(76).

Section 191G (interpretation of Part 12)

56. In section 191G(77) (interpretation), in subsection (1)—

- (a) omit the definition of “credit institution”(78);
- (b) in the definition of “UK authorised person”, in paragraph (b), after “Schedule 5” insert “, or a person treated as having a Part 4A permission to carry on a regulated activity by virtue of regulation 71 of the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019”(79).

CHAPTER 9

Part 12A of the Act: powers exercisable in relation to parent undertakings

Introduction

57. Part 12A of the Act (powers exercisable in relation to parent undertakings) is amended as follows.

Section 192C (power to direct qualifying parent undertaking)

58.—(1) Section 192C(80) (power to direct qualifying parent undertaking) is amended as follows.

(2) In subsection (3)(a), for “in pursuance of any of the directives mentioned in section 3M(3)” substitute—

“in pursuance of—

- (i) any implementing provision contained in subordinate legislation (within the meaning of the Interpretation Act 1978) made otherwise than by any of the following—
 - (aa) statutory instrument, and
 - (bb) statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)); or
 - (ii) any other implementing provision (as amended from time to time)”.
- (3) For subsection (4) substitute—
- “(4) In subsection (3)(a)—
- “consolidated supervision” includes supplemental supervision;
- “implementing provision” has the same meaning as in section 3M.”.

(75) Section 190A was inserted by S.I. 2016/1239.

(76) Section 191A was substituted by S.I. 2009/534; subsection (5) was amended by section 26(2) of the Financial Services Act 2012.

(77) Section 191G was substituted by S.I. 2009/534.

(78) The definition of “credit institution” in section 191G(1) was amended by S.I. 2013/3115.

(79) S.I. 2019/325.

(80) Section 192C was inserted by section 27 of the Financial Services Act 2012.

Section 192JB (rules requiring parent undertakings to facilitate resolution)

59. In section 192JB(**81**) (rules requiring parent undertakings to facilitate resolution), in subsection (4), for paragraph (b) substitute—

- “(b) “group financial support agreement” means an agreement for the provision of financial support, by a member of the group of the parent undertaking, to an institution in the group which, at any time after the agreement is concluded, comes to need financial support;”.

Section 192K (power to impose penalty or issue censure)

60. In section 192K(**82**) (power to impose penalty or issue censure), in subsection (1)(c)(**83**) for “qualifying EU provision” substitute “qualifying provision”.

CHAPTER 10

Part 14 of the Act: disciplinary measures

Section 204A (meaning of “relevant requirement” etc.)

61. In section 204A(**84**) (meaning of “relevant requirement” etc.), in subsection (2)(b)(**85**) for “qualifying EU provision” substitute “qualifying provision”.

CHAPTER 11

Part 20 of the Act: provision of financial services by members of the professions

Introduction

62. Part 20 of the Act(**86**) (provision of financial services by members of the professions) is amended as follows.

Section 326 (designation of professional bodies)

63. In section 326 (designation of professional bodies), omit subsection (5)(d).

Section 327 (exemption from the general prohibition)

64. In section 327 (exemption from the general prohibition)—

- (a) in subsection (1)(aa), for “Section A of Annex 1 of the markets in financial instruments directive”, substitute “Part 3 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001”;
- (b) in subsection (7A)(a), omit “for the purposes of the markets in financial instruments directive”;
- (c) in subsection (7B), omit “for the purposes of the markets in financial instruments directive”;

(81) Section 192JB was inserted by section 133(1) of the Financial Services (Banking Reform) Act 2013 (c. 33) and was amended by S.I. 2014/3329.

(82) Section 192K as inserted by section 27 of the Financial Services Act 2012.

(83) Subsection (1) was inserted by S.I. 2014/3329 and section 133(2)(a) of the Financial Services (Banking Reform) Act 2013.

(84) Section 204A was inserted by section 37(1) of, and paragraph 1 of Part 1 and paragraph 10 of Part 4 of Schedule 9 to, the Financial Services Act 2012.

(85) Subsection (2) was amended by S.I. 2013/1773 and 2016/255.

(86) 2000 c. 8. Section 327(1)(aa), (7A) and (7B) were inserted by S.I. 2017/701. Section 328(6) was substituted by S.I. 2003/1473 and amended by paragraph 2 of Schedule 16 to the Financial Services Act 2012 (c. 21), S.I. 2011/1043, S.I. 2013/1881 and S.I. 2018/546.

- (d) in subsection (7C), for the words from “Article 4(a)” to the end, substitute “paragraph 6(a) to (c) of Schedule 3 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001”.

Section 328 (directions in relation to the general prohibition)

- 65.** In section 328 (directions in relation to the general prohibition), in subsection (6)—
- (a) omit “either”;
 - (b) at the end of paragraph (a), omit “or”;
 - (c) omit paragraph (b).

CHAPTER 12

Part 22 of the Act: auditors and actuaries

Introduction

- 66.** Part 22 of the Act (auditors and actuaries) is amended as follows.

Section 342 (information given by auditor or actuary to a regulator)

- 67.** In section 342 (information given by auditor or actuary to a regulator), in subsection (8)(**87**), for ““credit institution” and “investment firm” have” substitute ““investment firm” has”.

Section 343 (information given by auditor or actuary to a regulator: persons with close links)

- 68.** In section 343(**88**) (information given by auditor or actuary to a regulator: persons with close links)—
- (a) omit subsection (9).
 - (b) in subsection (10)(**89**), for ““credit institution” and “investment firm” have” substitute ““investment firm” has”.

CHAPTER 13

Part 25 of the Act: injunctions and restitution

Introduction

- 69.** Part 25 of the Act (injunctions and restitution) is amended as follows.

Section 380 (injunctions)

- 70.**—(1) Section 380(**90**) (injunctions) is amended as follows.
- (2) In subsection (6)(a)(i)(**91**), for “qualifying EU provision” substitute “qualifying provision”.

(87) Subsection (8) was inserted by [S.I. 2013/3115](#).

(88) Section 343 was amended by section 42 of, and paragraphs 1, 5(1), (2)(a), (2)(b), (3)(a), (3)(b), (3)(c), (4), (5), (6) and (7) of Part 1 of Schedule 13 to, the Financial Services Act 2012 and [S.I. 2013/3115](#).

(89) Subsection (10) was inserted by [S.I. 2013/3115](#).

(90) Section 380 was amended by section 37(1) of, and paragraph 1 of Part 1 and paragraphs 19(1), (2), (3)(a), (3)(b), (3)(c), (4) and (5) of Part 5 of Schedule 9 to, the Financial Services Act 2012, section 141 of, and paragraphs 3(1) and (2) of Schedule 10 to, the Financial Services (Banking Reform) Act 2013, [S.I. 2013/1773](#), [2015/1755](#) and [2016/225](#).

(91) Subsection (6) was amended by section 37(1) of, and paragraph 1 of Part 1 and paragraphs 19(1), (3)(a), (3)(b), (3)(c) of Part 5 of Schedule 9 to, the Financial Services Act 2012, section 141 of, and paragraphs 3(1) and (2) of Schedule 10 to, the Financial Services (Banking Reform) Act 2013, [S.I. 2013/1773](#), [2015/1755](#) and [2016/225](#).

(3) In subsection (9)(92) for “qualifying EU provision” in both places substitute “qualifying provision”.

Section 382 (restitution orders)

71.—(1) Section 382(93) (restitution orders) is amended as follows.

(2) In subsection (9)(a)(i)(94), for “qualifying EU provision” substitute “qualifying provision”.

(3) In subsection (12)(95), for “qualifying EU provision” in both places substitute “qualifying provision”.

Section 384 (power of FCA or PRA to require restitution)

72.—(1) Section 384(96) (power of FCA or PRA to require restitution) is amended as follows.

(2) In subsection (7)(a)(97), for “qualifying EU provision” substitute “qualifying provision”.

(3) In subsection (10)(98) for “qualifying EU provision” in both places substitute “qualifying provision”.

CHAPTER 14

Part 26 of the Act: notices

Introduction

73. Part 26 of the Act (notices) is amended as follows.

Section 391 (publication)

74.—(1) Section 391(99) (publication) is amended as follows.

(2) Omit subsections (7A)(100) and (7B)(101).

(3) In subsection (8A)(102), for “requirement imposed by the CSD regulation or any directly applicable regulation made under the CSD regulation” substitute “CSD requirement”.

(4) After subsection (8A) insert—

(92) Subsection (9) was inserted by section 37(1) of, and paragraph 1 of Part 1 and paragraphs 19(1) and (5) of Part 5 of Schedule 9 to, the Financial Services Act 2012.

(93) Section 382 was amended by section 37(1) of, and paragraph 1 of Part 1 and paragraphs 21(1), (2), (3), (4), (5)(a), (5)(b), (5)(c), (6), (7) of Part 5 of Schedule 9 to, the Financial Services Act 2012, section 141 of, and paragraphs 3(1), (3) of Schedule 10 to, the Financial Services (Banking Reform) Act 2013 and [S.I. 2013/1773](#).

(94) Subsection (9)(a)(i) was amended by [S.I. 2013/1773](#).

(95) Subsection (12) was inserted by section 37(1), and paragraph 1 of Part 1 and paragraphs 21(1) and (7) of Part 5 of Schedule 9 to, the Financial Services Act 2012.

(96) Section 384 was amended by section 37(1) of, and paragraph 1 of Part 1 and paragraphs 23(1), (2)(a), (2)(b), (4)(a), (4)(b), (5), (6)(a), (6)(b), (7), (8), (9) and (10) of Part 5 of Schedule 9 to, the Financial Services Act 2012, section 141 of, and paragraphs 3(1) and (4) of Schedule 10 to, the Financial Services (Banking Reform) Act 2013, [S.I. 2007/126](#) and [2016/680](#).

(97) Subsection (7) was amended by section 37(1) of, and paragraph 1 of Part 1 and paragraphs 23(1), (6)(a) and (6)(b) of Part 5 of Schedule 9 to, the Financial Services Act 2012, section 141 of, and paragraphs 3(1) and (4) of Schedule 10 to, the Financial Services (Banking Reform) Act 2013 and [S.I. 2007/126](#).

(98) Subsection (10) was inserted by section 37(1) of, and paragraph 1 of Part 1 and paragraphs 23(1) and (8) of Part 5 of Schedule 9 to, of the Financial Services Act 2012.

(99) Section 391 was amended by sections 13(1) and (3), 24(1) and (2) of, and paragraphs 1 and 28 of Part 1 of Schedule 2 to, the Financial Services Act 2010, sections 24(2) and 37(1) of, and paragraph 1 of Part 1 and paragraphs 30(1), (2), (3), (4)(a), (4)(b), (5), (6), (7), (8) of Part 6 of Schedule 9 to, the Financial Services Act 2012, section 4(3) of the Financial Services (Banking Reform) Act 2013, [S.I. 2012/916](#), [2013/1388](#), [2013/3115](#), [2014/2879](#), [2015/1755](#), [2016/225](#), [2016/680](#), [2016/715](#), [2017/701](#), [2017/1127](#) and [2018/135](#).

(100) Subsection (7A) was inserted by [S.I. 2012/916](#) and amended by section 37(1) of, paragraph 1 of Part 1 and paragraphs 30(1) and (8) of Part 6 of Schedule 9 to, the Financial Services Act 2012.

(101) Subsection (7B) was inserted by [S.I. 2012/916](#) and amended by [S.I. 2016/680](#) and [2017/701](#).

(102) Subsection (8A) was inserted by [S.I. 2014/2879](#).

“(8AA) A “CSD requirement” is a requirement imposed by—

- (a) the CSD regulation,
- (b) any EU regulation, originally made under the CSD regulation, which is retained direct EU legislation, or
- (c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation on or after exit day.”.

(5) In subsection (8B)(**103**), for “requirement imposed by the market abuse regulation or a directly applicable EU regulation made under the market abuse regulation” substitute “market abuse requirement”.

(6) After subsection (8B) insert—

“(8BA) A “market abuse requirement” is a requirement imposed by—

- (a) the market abuse regulation,
- (b) any EU regulation, originally made under the market abuse regulation, which is retained direct EU legislation, or
- (c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the market abuse regulation on or after exit day.”.

(7) In subsection (8D)(**104**)—

- (a) omit the “or” at the end of paragraph (a);
- (b) in paragraph (b)—
 - (i) for “directly applicable regulation” substitute “EU regulation, originally”, and
 - (ii) at the end insert “which is retained direct EU legislation.”;
- (c) after paragraph (b) insert—
 - “or
 - (c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the PRIIPs regulation on or after exit day.”.

(8) In subsection (8E)(**105**), for the words from “imposed by” to “this section” substitute—
“imposed by—

- (a) the EU Benchmarks Regulation 2016,
- (b) any EU regulation, originally made under the EU Benchmarks Regulation 2016, which is retained direct EU legislation, or
- (c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the EU Benchmarks Regulation on or after exit day,

this section”.

(9) Omit subsection (8F)(**106**).

Section 391A (publication: special requirements relating to capital requirements directive)

75.—(1) Section 391A(**107**) (publication: special requirements relating to capital requirements directive) is amended as follows.

(2) In the heading, for “the capital requirements directive” substitute “capital requirements”.

(**103**) Subsection (8B) was inserted by [S.I. 2016/680](#).

(**104**) Subsection (8D) was inserted by [S.I. 2017/1127](#).

(**105**) Subsection (8E) was inserted by [S.I. 2018/135](#).

(**106**) Subsection (8F) was inserted by [S.I. 2018/1288](#).

(**107**) Section 391A was inserted by [S.I. 2013/3115](#) and amended by [S.I. 2015/1755](#).

(3) In subsection (1) for “to which Article 68(1) of the capital requirements directive applies.” substitute —

“for breach of—

- (a) a provision made in or under this Act for the purpose of implementing the capital requirements directive, or
- (b) a provision of the capital requirements regulation.”.

(4) In subsection (6)(108)—

- (a) at the end of paragraph (a) insert “and”; and
- (b) omit paragraph (c), and the “and” preceding it.

Section 391B (publication: special provisions relating to the transparency obligations directive)

76.—(1) Section 391B(109) (publication: special provisions relating to the transparency obligations directive) is amended as follows.

(2) In the heading, for “the transparency obligations directive” substitute “transparency obligations”.

(3) In subsection (1) for “to which Article 29(1) of the transparency obligations directive applies” substitute “for breach of a provision made in or under this Act for the purpose of implementing the transparency obligations directive”.

Section 391C (publication: special provisions relating to the UCITS directive)

77.—(1) Section 391C(110) (publication: special provisions relating to the UCITS directive) is amended as follows.

(2) In the heading, for “the UCITS directive” substitute “UCITS”.

(3) In subsection (1) for “to which Article 99 of the UCITS directive applies” substitute “for breach of a provision made in or under this Act for the purpose of implementing the UCITS directive”.

(4) In subsection (7)(111), omit paragraph (b), and the “and” preceding it.

Section 391D (publication: special provisions relating to the markets in financial instruments directive)

78.—(1) Section 391D(112) (publication: special provisions relating to the markets in financial instruments directive) is amended as follows.

(2) In the heading, for “the markets in financial instruments directive” substitute “markets in financial instruments”.

(3) In subsection (1), for “to which Article 71 of the markets in financial instruments directive applies.” substitute—

“for breach of—

(108) Subsection (6) was amended by section 211(1)(a) of, and paragraphs 48 and 50 of Part 1 of Schedule 19 to, the Data Protection Act 2018 (c. 12).

(109) Section 391B was inserted by S.I. 2015/1755.

(110) Section 391C was inserted by S.I. 2016/225 and amended by section 211(1)(a) of, and paragraphs 48 and 51 of Part 1 of Schedule 19 to, the Data Protection Act 2018.

(111) Subsection (7) was amended by section 211(1)(a) of, and paragraphs 48 and 51 of Part 1 of Schedule 19 to, the Data Protection Act 2018.

(112) Section 391D was inserted by S.I. 2017/701 and amended by S.I. 2018/625.

- (a) a provision made in or under this Act for the purpose of implementing the markets in financial instruments directive, or
- (b) a provision of the markets in financial instruments regulation.”.
- (4) In subsection (9)(**113**), omit paragraph (b), and the “and” preceding it.

Section 391E (publication: special provisions relating to the insurance distribution directive)

79.—(1) Section 391E(**114**) (publication: special provisions relating to the insurance distribution directive) is amended as follows.

- (2) In the heading, for “the insurance distribution directive” substitute “insurance distribution”.
- (3) In subsection (1), for “to which Article 32 of the insurance distribution directive applies” substitute “for breach of a provision made in or under this Act for the purpose of implementing the insurance distribution directive”.
- (4) Omit subsection (5).

CHAPTER 15

Part 27 of the Act: offences

Section 398 (misleading FCA or PRA: residual cases)

80.—(1) Section 398(**115**) (misleading FCA or PRA: residual cases) is amended as follows.

- (2) In subsection (1A)(**116**)—
 - (a) for paragraph (ea) substitute—
 - “(ea) any EU regulation, originally made under the markets in financial instruments directive, which is retained direct EU legislation;”;
 - (b) for paragraph (eb) substitute—
 - “(eb) any of the following—
 - (i) the markets in financial instruments regulation,
 - (ii) any EU regulation, originally made under the markets in financial instruments regulation, which is retained direct EU legislation, and
 - (iii) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the markets in financial instruments regulation on or after exit day;”.

CHAPTER 16

Part 28 of the Act: miscellaneous

Introduction

81. Part 28 of the Act (miscellaneous) is amended as follows.

(**113**) Subsection (9) was amended by section 211(1)(a) of, and paragraphs 48 and 52 of Part 1 of Schedule 19 to, the Data Protection Act 2018.

(**114**) Section 391E was inserted by [S.I. 2018/546](#).

(**115**) Section 398 was amended by section 37(1) of, and paragraph 1 of part 1 and paragraphs 36(1) and (3) of Part 7 of Schedule 9 to, the Financial Services Act 2012, [S.I. 2013/1773](#), [2015/1882](#), [2016/680](#), [2017/701](#), [2018/135](#) and [2018/698](#).

(**116**) Subsection (1A) was amended by [S.I. 2013/1773](#), [2015/1882](#), [2016/680](#), [2017/701](#), [2018/135](#) and [2018/698](#).

Section 404E (meaning of “consumers”)

82. In section 404E(**117**) (meaning of “consumers”), in subsection (6) omit the definition of “credit institution”.

Section 410 (international obligations)

83. In section 410(**118**) (international obligations), in subsection (1)(**119**), for “EU obligations or any other” substitute “any”.

CHAPTER 17

Part 29 of the Act: interpretation of the Act

Introduction

84. Part 29 of the Act (interpretation of the Act) is amended as follows.

Section 417 (definitions)

85.—(1) In section 417 (definitions) subsection (1) is amended as set out in paragraphs (2) to (13).

(2) After “In this Act” insert “and in any order or regulations made under this Act”.

(3) In the definition of “capital requirements regulation”(120), at the end insert “, as it has effect at the updating point (see subsection (1A))”.

(4) In the definition of “central securities depository”(121), for “has the meaning given by point (1) of” substitute “means a CSD or third-country CSD as defined in”.

(5) At the appropriate place insert—

““credit institution” means an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account;”.

(6) In the definition of “the CSD regulation”(122), at the end insert “, as it has effect at the updating point (see subsection (1A))”.

(7) For the definition of “insurance undertaking”(123) substitute—

““insurance undertaking” means an undertaking which—

- (a) has its head office in the United Kingdom,
- (b) has a Part 4A permission to carry on one or more regulated activities, and
- (c) would require authorisation in accordance with Article 14 of the Solvency 2 Directive if the United Kingdom were a member State;”.

(8) In the definition of “market abuse regulation”(124), at the end insert “, as it has effect at the updating point (see subsection (1A))”.

(9) At the appropriate place insert—

““qualifying credit institution” means a credit institution which—

- (a) is a person who—

(117) Section 404E was inserted by section 14(1) of the Financial Services Act 2010.

(118) Section 410 was amended by sections 16(1), 16(14)(i) and 47 of the Financial Services Act 2012, [S.I. 2011/1043](#) and [2017/1064](#).

(119) Subsection (1) was amended by [S.I. 2011/1043](#).

(120) This definition was inserted by [S.I. 2013/3115](#).

(121) This definition was inserted by [S.I. 2017/1064](#).

(122) This definition was inserted by [S.I. 2014/2879](#).

(123) This definition was inserted by [S.I. 2015/575](#).

(124) This definition was inserted by [S.I. 2016/680](#).

- (i) has Part 4A permission to carry on the regulated activity of accepting deposits, or
 - (ii) satisfies the conditions for being given permission under Part 4A to carry on that activity, or
 - (iii) is a body corporate incorporated in the United Kingdom and would satisfy those conditions—
 - (aa) were its head office in the United Kingdom, or
 - (bb) if it has a registered office, were its registered office, or its registered office and its head office, in the United Kingdom,
 - (b) is not a friendly society, and
 - (c) is not a society registered as a credit union under—
 - (i) the Co-operative and Community Benefit Societies Act 2014,
 - (ii) the Credit Unions (Northern Ireland) Order 1985 (S.I. 1985/1205 (N.I. 12)), or
 - (iii) the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (c. 24 (N.I.));”.
- (10) For the definition of “reinsurance undertaking”(125) substitute—
- ““reinsurance undertaking” means an undertaking which—
- (a) has its head office in the United Kingdom,
 - (b) has a Part 4A permission to carry on one or more regulated activities,
 - (c) effects or carries out contracts of insurance that are limited to reinsurance contracts, and
 - (d) would require authorisation in accordance with Article 14 of the Solvency 2 Directive if the United Kingdom were a member State;”.
- (11) In the definition of “short selling regulation”(126), at the end insert “, as it has effect at the updating point (see subsection (1A))”.
- (12) In the definition of “third country insurance undertaking”(127), for the words after “received” substitute “from the PRA or the FCA authorisation under any enactment (including an enactment contained in subordinate legislation within the meaning of the Interpretation Act 1978), or any rule made under this Act by the PRA or the FCA, that implemented Article 162 of the Solvency 2 Directive”.
- (13) Omit the definitions of—
- “EBA”(128),
 - “EIOPA”(129),
 - “mortgage creditor”(130),
 - “mortgage intermediary”(131), and
 - “tied mortgage intermediary”(132).
- (14) After subsection (1) of section 417 insert—
- “(1A) A reference in subsection (1) to an instrument as it has effect at the updating point is a reference to the instrument as it has effect at the beginning of the day on which the

(125) This definition was inserted by S.I. 2015/575.

(126) This definition was inserted by S.I. 2012/2554.

(127) This definition was inserted by S.I. 2015/575.

(128) This definition was inserted by S.I. 2012/916.

(129) This definition was inserted by S.I. 2018/546.

(130) This definition was inserted by S.I. 2015/910.

(131) This definition was inserted by S.I. 2015/910.

(132) This definition was inserted by S.I. 2015/910.

Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 are made (but see regulation 2 of the European Union (Withdrawal) Act 2018 (Consequential Modifications and Repeals and Revocations) Regulations 2019 (S.I. 2019/628), which may further update the reference).”.

Section 418 (carrying on regulated activities in the United Kingdom)

86.—(1) Section 418(**133**) (carrying on regulated activities in the United Kingdom) is amended as follows.

(2) In subsection (1)(**134**), for the words before “described” substitute “In the cases”.

(3) Omit subsections (2) and (3)(**135**).

(4) In subsection (5AA)(**136**)—

(a) in paragraph (b)(i) and (ii), for “an EEA State” substitute “the United Kingdom”;

(b) in paragraph (d), for “the EEA” substitute “the United Kingdom”.

(5) In subsection (6), for the words before “it is irrelevant” substitute “For the purposes of the preceding subsections”.

(6) Omit subsection (7)(**137**).

(7) For subsection (8)(**138**) substitute—

“(8) For the purposes of this section, an AIF is “marketed” when—

(a) the person managing the AIF (“the AIFM”) makes a direct or indirect offering or placement of units or shares of the AIF to or with an investor domiciled or with a registered office in the United Kingdom, or

(b) another person makes such an offering or placement at the initiative of, or on behalf of, the AIFM.”.

Section 420 (parent and subsidiary undertaking)

87. In section 420 (parent and subsidiary undertaking), in subsection (2)(b)—

(a) omit “other than the United Kingdom”;

(b) for “Seventh Company Law Directive” substitute “[Directive 2013/34/EU](#) of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending [Directive 2006/43/EC](#) of the European Parliament and of the Council and repealing Council Directives [78/660/EEC](#) and [83/349/EEC](#)”(139).

Section 422A (disregarded holdings)

88. In section 422A(**140**) (disregarded holdings)—

(a) in subsection (4)—

(133) Amendments of section 418 are made by [S.I. 2013/1797](#) but these are not in force.

(134) Subsection (1) was amended by [S.I. 2014/1292](#).

(135) Subsection (3)(b) was amended by [S.I. 2011/1043](#).

(136) Subsection (5AA) was inserted by [S.I. 2014/1292](#)

(137) Subsection (7) was inserted by [S.I. 2012/1906](#).

(138) Subsection (8) was inserted by [S.I. 2014/1292](#).

(139) OJ L 182, 29.6.2013, p. 19-76.

(140) Section 422A was substituted by [S.I. 2009/534](#).

- (i) in paragraph (a)(**141**), for the words from “article 4.1.7” to “directive” substitute “article 2.1.6 of the markets in financial instruments regulation”;
- (ii) for paragraph (b), substitute—
 - “(b) has a Part 4A permission to carry on one or more investment services and activities;”;
- (b) in subsection (5), for “credit institution” substitute “qualifying credit institution”;
- (c) in subsection (6)—
 - (i) in the opening words and in paragraph (b), for “credit institution” substitute “qualifying credit institution”;
 - (ii) in paragraph (a)(ii), omit the words from “in accordance with” to the end;
- (d) in subsection (7)(**142**), for “Article 2.1(b) of the UCITS Directive” substitute “section 237(2)”;
- (e) in subsection (9A)(**143**), for the words from “Commission” to “financial instruments” substitute “the market abuse regulation and Commission Delegated Regulation (EU) No. 1052/2016 of 8 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and the Council with regard to the regulatory technical standards for conditions applicable to buy-back programmes and stabilisation measures”;
- (f) omit subsection (10)(**144**).

Mortgage agreements etc

89. After section 423 insert—

“Mortgage agreements etc

423A.—(1) In this Act—

“mortgage agreement” means an agreement to which subsection (2) applies, but to which subsection (3) does not apply, under which a mortgage creditor grants or promises to grant, to a consumer, a credit in the form of a deferred payment, loan or other similar financial accommodation;

“mortgage creditor” means a person who grants or promises to grant—

- (a) in the course of the person’s trade, business or profession, and
- (b) under an agreement to which subsection (2) applies but to which subsection (3) does not apply,

credit in the form of a deferred payment, loan or other similar financial accommodation;

“mortgage intermediary” means a person who, in the course of the person’s trade, business or profession, and acting neither as a mortgage creditor or notary nor in an introductory capacity, does any of the following for any agreed form of financial consideration—

- (a) presenting or offering mortgage agreements to consumers;

(141) Section 422A(4)(a) was amended by [S.I. 2017/701](#).

(142) Section 422A(7) was amended by [S.I. 2011/1613](#).

(143) Section 422A(9A) was inserted by [S.I. 2015/1755](#).

(144) Subsection (10) was amended by [S.I. 2012/3115](#).

- (b) assisting consumers by undertaking preparatory work or other pre-contractual administration in respect of mortgage agreements (otherwise than as referred to in paragraph (a));
- (c) concluding mortgage agreements with consumers on behalf of mortgage creditors;

“*tied mortgage intermediary*” means a mortgage intermediary who acts on behalf of and under the full and unconditional responsibility of—

- (a) only one mortgage creditor,
- (b) only one group of mortgage creditors, or
- (c) a number of mortgage creditors or groups of mortgage creditors which does not represent the majority of the market.

(2) This subsection applies to the following agreements—

- (a) an agreement secured by a mortgage on, or (in Scotland) a heritable security over, residential immovable property, or by any other charge or right over or related to such property;
- (b) an agreement the purpose of which is to acquire or retain property rights in land or in an existing or projected building.

(3) This subsection applies to the following agreements—

- (a) an agreement under which the creditor—
 - (i) contributes a lump sum, periodic payments or other forms of credit disbursement in return for a sum deriving from the future sale of a residential immovable property or a right relating to residential immovable property, and
 - (ii) will not seek repayment of the credit until the occurrence of one or more specified life events of the consumer, unless the consumer breaches contractual obligations so as to allow the creditor to terminate the agreement;
- (b) an agreement under which credit is granted by an employer to its employees as a secondary activity where the agreement is offered free of interest or at an annual rate lower than that prevailing on the market and not offered to the public generally;
- (c) an agreement under which credit is granted free of interest and without any other charges except those that recover costs directly related to the securing of the credit;
- (d) an agreement in the form of an overdraft facility under which the credit has to be repaid within one month;
- (e) an agreement which is the outcome of a settlement reached in or before a court or other statutory authority;
- (f) an agreement which—
 - (i) relates to the deferred payment, free of charge, of an existing debt, and
 - (ii) is not secured by a mortgage, by another comparable security commonly used in the United Kingdom on residential immovable property or by a right related to residential immovable property.

(4) In this section—

“acting in an introductory capacity” means merely introducing (directly or indirectly) a consumer to a mortgage creditor or mortgage intermediary;

“annual rate” means the total cost to the borrower expressed as an annual percentage of the total amount of credit;

“consumer” means an individual who is acting for purposes outside those of any trade, business or profession carried on by the individual;

“group of mortgage creditors” means a group of mortgage creditors that are to be consolidated for the purposes of drawing up consolidated accounts in accordance with—

- (a) the requirements of Part 15 of the Companies Act 2006, if the parent undertaking (within the meaning of that Act) is a company, or
- (b) if it is not, the legal requirements that apply to the drawing up of consolidated accounts for the parent undertaking;

“specified” means specified in rules made by the FCA.

- (5) A reference in this section to any immovable property, land or building—
 - (a) in relation to an agreement entered into before exit day, is a reference to any immovable property, land or building in the United Kingdom or within the territory of an EEA State;
 - (b) in relation to an agreement entered into on or after exit day, is a reference to any immovable property, land or building in the United Kingdom.”.

Section 424A (meaning of “investment firm”)

90.—(1) Section 424A(**145**) (meaning of “investment firm”) is amended as follows.

(2) In subsection (1), for “Article 4.1.1 of the markets in financial instruments directive” substitute “paragraph 2.1A of the markets in financial instruments regulation”.

(3) In subsection (2), for “subsections (3) to (5)” substitute “subsection (5)”.

(4) Omit subsections (3)(**146**) and (4).

(5) In subsection (5)(**147**), for paragraphs (a) and (b) substitute—

“(a) a person excluded from the definition of “investment firm” in Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ([S.I. 2001/544](#)) by paragraph (a) or (b) of that definition; or

(b) a firm which has a Part 4A permission to carry on regulated activities as an exempt investment firm within the meaning of regulation 8 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 ([S.I. 2017/701](#)).”.

Section 425A (consumers: regulated activities etc carried on by authorised persons)

91.—(1) Section 425A(**148**) (consumers: regulated activities etc carried on by authorised persons) is amended as follows.

(2) In subsection (3)(b), for “credit institutions” substitute “qualifying credit institutions”.

(3) In subsection (7)(**149**)—

(**145**) Section 424A was inserted by [S.I. 2006/2975](#).

(**146**) Subsection (3) was substituted by [S.I. 2007/126](#).

(**147**) Subsection (5) was amended by [S.I. 2017/701](#).

(**148**) Section 425A was inserted by paragraph 32 of Schedule 2 to the Financial Services Act 2010.

(**149**) Subsection (7) was amended by [S.I. 2013/3115](#).

- (a) omit the definition of “credit institution”(150);
- (b) in the definition of “relevant ancillary service”, for “Section B of Annex I to the markets in financial instruments directive” substitute “Part 3A of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)”.

Section 425C (“qualifying EU provision”)

92. For section 425C(151) (“qualifying EU provision”) substitute—

““Qualifying provision”

425C. In this Act “qualifying provision” means a provision of any of the following—

- (a) retained direct EU legislation;
- (b) technical standards made in accordance with Chapter 2A of Part 9A;
- (c) subordinate legislation (within the meaning of the Interpretation Act 1978) made by virtue of regulations made under section 8 of the European Union (Withdrawal) Act 2018.”.

CHAPTER 18

Schedule 1ZA to the Act: the Financial Conduct Authority

Schedule 1ZA (the Financial Conduct Authority)

93. In Schedule 1ZA(152) (the Financial Conduct Authority), in paragraph 23(2)(b)(153), for “qualifying EU provision” substitute “qualifying provision”.

CHAPTER 19

Schedule 1ZB to the Act: the Prudential Regulation Authority

Schedule 1ZB (the Prudential Regulation Authority)

94. In Schedule 1ZB to the Act(154) (the Prudential Regulation Authority), in paragraph 31(2)(b)(155), for “qualifying EU provision” substitute “qualifying provision”.

CHAPTER 20

Schedule 2 to the Act: regulated activities

Schedule 2 (regulated activities)

95. In Schedule 2 (regulated activities), in paragraph 13(2)(c) omit “or another member State”.

(150) The definition of “credit institution” was amended by S.I. 2013/3115.

(151) Section 425C was inserted by section 48(3) of the Financial Services Act 2012.

(152) Schedule 1ZA was inserted by section 6(2) of, and Schedule 3 to, the Financial Services Act 2012.

(153) Paragraph 23 was amended by section 129 of, and paragraphs 1, 7(1) and (3) of Part 1 of Schedule 8 to, the Financial Services (Banking Reform) Act 2013, section 47 of, and paragraphs 1 and 16(a) of Schedule 3 to, section 47 of, and paragraphs 1, 16(b), (c), (d) of Schedule 3 to, the Pension Schemes Act 2015 (c. 8), sections 29(1), (6)(a), (6)(b) of the Bank of England and Financial Services Act 2016 (c. 14), section 25 of, and paragraphs 5, 21(1), (5)(a)(i), (5)(a)(ii), (5)(a)(iii), (5)(b)(i), (5)(b)(ii), (5)(b)(iii), (5)(b)(iv) of Schedule 3 to, the Financial Guidance and Claims Act 2018 (c. 10), and S.I. 2013/1773.

(154) Schedule 1ZB was inserted by section 6(2) of, and Schedule 3 to, the Financial Services Act 2012.

(155) Paragraph 31 was amended by section 16 of, and paragraphs 26, 50(1) and (7)(b) of Part 2 of Schedule 2 to, the Bank of England and Financial Services Act 2016.

CHAPTER 21

Schedule 6 to the Act: threshold conditions

Introduction

96. Schedule 6(156) to the Act (threshold conditions) is amended as follows.

Interpretation

97.—(1) Paragraph 1A(1) (interpretation of Schedule 6) is amended as follows.

(2) After the definition of “functions”, insert—

““implementing provisions” has the same meaning as in section 3M;”

(3) After the definition of “relevant directives”, insert—

““relevant implementing provisions” means—

(a) any implementing provision contained in subordinate legislation (within the meaning of the Interpretation Act 1978) made otherwise than by any of the following—

(i) statutory instrument, and

(ii) statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)); or

(b) any other implementing provision (as amended from time to time);”

Paragraph 2C (effective supervision)

98. In paragraph 2C(1) (effective supervision)—

(a) in paragraph (e), for “of the relevant directives” substitute “relevant implementing provisions”;

(b) in paragraph (f)(iii) for “territory which is not an EEA State” substitute “country or territory outside the United Kingdom”.

Paragraph 3B (effective supervision)

99. In paragraph 3B(1) (effective supervision)—

(a) in paragraph (e), for “of the relevant directives” substitute “relevant implementing provisions”;

(b) in paragraph (f)(iii) for “territory which is not an EEA State” substitute “country or territory outside the United Kingdom”.

Paragraph 4A (introduction to Part 1D)

100. In paragraph 4A(6)(157)—

(a) for paragraph (a) substitute—

“(a) the persons are undertakings, whether incorporated or not, other than an existing insurance or reinsurance undertaking, which assume risks from insurance or reinsurance undertakings and which fully fund their exposure to such risks through the proceeds of a debt issuance or any other financing mechanism where

(156) Schedule 6 was substituted by S.I. 2013/555.

(157) Paragraph 4A(6) was inserted by S.I. 2017/1212.

the repayment rights of the providers of such debt or financing mechanism are subordinated to the reinsurance obligations of such an undertaking;”;

(b) for paragraph (b) substitute—

“(b) the persons are not insurance undertakings;”.

Paragraph 4F (effective supervision)

101. In paragraph 4F(2) (effective supervision)—

- (a) in paragraph (e), for “of the relevant directives” substitute “relevant implementing provisions”;
- (b) in paragraph (f)(iii) for “territory which is not an EEA State” substitute “country or territory outside the United Kingdom”.

Paragraph 5F (effective supervision)

102. In paragraph 5F(2) (effective supervision)—

- (a) in paragraph (e), for “of the relevant directives” substitute “relevant implementing provisions”;
- (b) in paragraph (f)(iii) for “territory which is not an EEA State” substitute “country or territory outside the United Kingdom”.

Paragraph 8 (additional conditions)

103. In paragraph 8(2)(a) (additional conditions), for “EEA” substitute “United Kingdom”.

CHAPTER 22

Schedule 12 to the Act: transfer schemes: certificates

Introduction

104. Schedule 12 to the Act (transfer schemes: certificates) is amended as follows.

Paragraph 1 (insurance business transfer schemes)

105. For paragraph 1(**158**) (insurance business transfer schemes) substitute—

“**1.** For the purposes of section 111(2) the appropriate certificate, in relation to an insurance business transfer scheme, is a certificate under paragraph 2.”.

Paragraph 2 (certificates as to margin of solvency)

106.—(1) Paragraph 2 (certificates as to margin of solvency) is amended as follows.

(2) Omit—

- (a) sub-paragraph (1)(b)(**159**) and the “or” preceding it;
- (b) sub-paragraph (3)(**160**).

(3) In sub-paragraph (6)—

(**158**) Paragraph 1 was amended by [S.I. 2007/3253](#) and [2015/575](#) and paragraph 10 of Schedule 6 to the Financial Services Act 2012 and paragraph 2 of Schedule 1 to the Financial Services (Banking Reform) Act 2013 (c. 33).

(**159**) Sub-paragraph (1)(b) was amended by paragraph 11(2)(a) of Schedule 6 to the Financial Services Act 2012.

(**160**) Sub-paragraph (3) was amended by paragraph 11(2)(b) and 11(3) of Schedule 6 to the Financial Services Act 2012.

- (a) omit paragraphs (a) and (aa)(161);
- (b) in paragraph (c)(162) omit “(a), (aa) or”;
- (c) in paragraph (c)(i) and (ii)(163) omit, in each place it occurs, “or with permission under Schedule 4”.
- (4) Omit sub-paragraphs (7A) and (9)(164).

Paragraphs 3 to 6 (further provisions on certificates)

107. Omit paragraphs 3 to 6(165) (further provisions on certificates).

Paragraph 7 (banking business transfer schemes)

108. For paragraph 7(166) (banking business transfer schemes) substitute—

“7. For the purposes of section 111(2) the appropriate certificate, in relation to a banking business transfer scheme, is a certificate under paragraph 8.”.

Paragraph 8 (certificates as to financial resources)

109. In paragraph 8 (certificates as to financial resources) in sub-paragraph (2)(167)—

- (a) in sub-paragraphs (a) and (aa) omit “or with permission under Schedule 4”;
- (b) omit paragraph (b);
- (c) in paragraph (c) for “(a), (aa) or (b)” substitute “(a) or (aa)”.

Paragraph 9 (certificates as to consent of home state regulator)

110. Omit paragraph 9(168) (certificates as to consent of home state regulator).

Paragraph 9B (ring-fencing transfer schemes)

111. For paragraph 9B(169) (ring-fencing transfer schemes) substitute—

“9B. For the purposes of section 111(2) the appropriate certificates, in relation to a ring-fencing transfer scheme, are—

- (a) a certificate given by the PRA certifying its approval of the application, and
- (b) a certificate under paragraph 9C.”.

Paragraph 9C (certificate as to financial resources)

112. In paragraph 9C (certificate as to financial resources) in sub-paragraph (2)(170)—

- (a) in paragraph (a) omit “or with permission under Schedule 4”;

(161) Paragraph (a) was amended by [S.I. 2007/3253](#); paragraph (aa) was substituted by [S.I. 2015/575](#).

(162) Paragraph (c) was amended by [S.I. 2007/3253](#).

(163) Paragraphs (c)(i) and (ii) were substituted by paragraph 11(4) of Schedule 6 to the Financial Services Act 2012.

(164) Sub-paragraphs (7A) and (9) were substituted by [S.I. 2015/575](#).

(165) Paragraph 3A was inserted by [S.I. 2015/575](#); paragraph 5A was inserted by [S.I. 2007/3253](#).

(166) Paragraph 7 was amended by paragraph 2 of Schedule 1 to the Financial Services (Banking Reform) Act 2013.

(167) Sub-paragraphs (a) and (aa) were substituted by paragraph 16(a) of Schedule 6 to the Financial Services Act 2012. Sub-paragraph (c) was amended by paragraph 16(b) of Schedule 6 to the Financial Services Act 2012.

(168) Paragraph 9 was amended by paragraph 17 of Schedule 6 to the Financial Services Act 2012 and paragraph 2 of Schedule 1 to the Financial Services (Banking Reform) Act 2013.

(169) Paragraph 9B was inserted by paragraph 13 of Schedule 1 to the Financial Services (Banking Reform) Act 2013.

(170) Paragraph 9C was inserted by paragraph 13 of Schedule 1 to the Financial Services (Banking Reform) Act 2013.

- (b) omit paragraph (b);
- (c) in paragraph (c) omit “or (b)”.

Paragraph 9D (certificate as to consent of home state regulator)

113. Omit paragraph 9D(171) (certificate as to consent of home state regulator).

Paragraph 10 (insurance business transfers effected outside the United Kingdom)

114. In paragraph 10 (insurance business transfers effected outside the United Kingdom)—
- (a) in sub-paragraph (1) for “any of the conditions in sub-paragraphs (2), (3) or (4)” substitute “the condition in sub-paragraph (4)”;
 - (b) omit sub-paragraphs (2) and (3)(172);
 - (c) in sub-paragraph (4)(173) for “a UK authorised person” to the end substitute “a UK authorised person as defined in section 105(8)”.

CHAPTER 23

Schedule 17A to the Act: further provisions in relation
to exercise of Part 18 functions by Bank of England

Introduction

115. Schedule 17A to the Act (further provision in relation to the exercise of Part 18 functions by Bank of England)(174) is amended as follows.

Paragraph 11 (information gathering and investigations)

116. In paragraph 11(175) (information gathering and investigations)—
- (a) in sub-paragraph (1)—
 - (i) for paragraph (ab) substitute—

“(ab) a third country CSD, in relation to any services referred to in the Annex to the CSD regulation which the third country CSD provides in the United Kingdom;”;
 - (ii) in paragraph (b), for “, a recognised CSD or an EEA CSD” substitute “or a recognised CSD”;
 - (b) in sub-paragraph (2), for paragraph (d) substitute—

“(d) information or documents reasonably required in connection with the exercise by the Bank of its functions—

 - (i) under—
 - (aa) the EMIR regulation,
 - (bb) the CSD regulation,

(171) Paragraph 9D was inserted by paragraph 13 of Schedule 1 to the Financial Services (Banking Reform) Act 2013.

(172) Sub-paragraph (2) was amended by S.I. 2007/3253 and paragraph 19(2) of Schedule 6 to the Financial Services Act 2012; sub-paragraph (3) was substituted by S.I. 2015/575.

(173) Sub-paragraph (4) was substituted by S.I. 2015/575.

(174) Schedule 17A was inserted by paragraph 1 of Schedule 7 to the Financial Services Act 2012.

(175) Sub-paragraph (1)(ab) was inserted by S.I. 2017/1064; sub-paragraph (2)(d) was inserted by S.I. 2013/504 and amended by S.I. 2014/2879 and 2016/715.

- (cc) any EU regulation originally made under the CSD Regulation which is retained direct EU legislation, or
- (dd) any subordinate legislation made under the CSD Regulation on or after exit day;
- (ii) in connection with Article 4 or 15 of the SFT regulation; or
- (iii) under any subordinate legislation made under the SFT regulation on or after exit day.”.

Paragraphs 22 and 23 (public record and disclosure of information)

117.—(1) In paragraph 22(**176**) (public record and disclosure of information), before “or a recognised CSD”, insert “, a third country CSD”.

(2) In paragraph 23(**177**) (public record and disclosure of information), in sub-paragraph (1), for the words from “or any directly applicable regulation” to the end substitute “, any EU regulation originally made under the CSD regulation which is retained direct EU legislation, or any subordinate legislation made under the CSD regulation on or after exit day”.

Paragraph 30 (offences)

118. In paragraph 30(**178**) (offences)—

- (a) in sub-paragraph (a), for “, a recognised CSD or an EEA CSD” substitute “or a recognised CSD”;
- (b) in sub-paragraph (c), for “qualifying EU provision” substitute “qualifying provision”.

Paragraph 36 (fees)

119. In paragraph 36(**179**)—

- (a) in sub-paragraph (1), omit “, EEA CSDs”;
- (b) in sub-paragraph (2)(b), for “qualifying EU provision”, substitute “qualifying provision”.

(176) Paragraph 22 was amended by [S.I. 2017/1064](#).

(177) Sub-paragraph (1) was renumbered by paragraph 51(4) of Schedule 2(2) to the Bank of England and Financial Services Act 2016 (c. 14) and amended by [S.I. 2017/1064](#).

(178) Sub-paragraph (a) was amended by [S.I. 2017/1064](#).

(179) Sub-paragraph (1) was amended by [S.I. 2013/504](#), [2017/1064](#) and [2018/1184](#). Sub-paragraph (2)(b) was amended by [S.I. 2018/1115](#).