

*Draft Regulations laid before Parliament under paragraphs 1(1) and (2) and 12(1) of Schedule 7 to the European Union (Withdrawal) Act 2018, for approval by resolution of each House of Parliament.*

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DRAFT STATUTORY INSTRUMENTS

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**2018 No. 0000**

**EXITING THE EUROPEAN UNION**  
**FINANCIAL SERVICES AND MARKETS**

**The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018**

*Made* - - - - 2018

*Coming into force in accordance with regulation 1(2) and (3)*

The Treasury make the following Regulations in exercise of the powers conferred by section 8(1) of, paragraph 1 of Schedule 4 to, and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018<sup>(a)</sup>.

In accordance with paragraphs 1(1) and (2) and 12(1) of Schedule 7 to that Act, a draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament.

**PART 1**

General provision

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018.

(2) These Regulations come into force on the day after the day on which they are made, subject to paragraph (3).

(3) Regulations 2, 3 and 23 come into force on exit day.

(4) In these Regulations, “the 2000 Act” means the Financial Services and Markets Act 2000<sup>(b)</sup>.

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(a) 2018 c. 16.  
(b) 2000 c. 8.

## PART 2

### Repeal of passport rights, etc., under Part 3 of the Financial Services and Markets Act 2000

#### **Repeal of passport rights, etc.**

- 2.—(1) Part 3 of the 2000 Act (authorisation and exemption) is amended as follows.
- (2) Omit section 31(1)(b) (authorised persons: EEA firms).
  - (3) Omit section 31(1)(c) (authorised persons: Treaty firms).
  - (4) Omit section 37 (exercise of EEA rights by UK firms).
  - (5) In Schedule 3 (EEA passport rights), omit—
    - (a) Part 2 (exercise of passport rights by EEA firms);
    - (b) Part 3 (exercise of passport rights by UK firms).
  - (6) Omit Schedule 4 (Treaty rights).

#### **Consequential amendments**

3. The Schedule makes consequential amendments—
- (a) in Part 1, to the 2000 Act;
  - (b) in Parts 2 and 3, to other enactments.

## PART 3

### Transitional and saving provision: applications for permission to carry on a regulated activity

#### CHAPTER 1

##### Modifications of Part 4A of the Financial Services and Markets Act 2000

#### **Persons to whom the modifications of Part 4A of the Financial Services and Markets Act 2000 apply**

- 4.—(1) The modifications of Part 4A of the 2000 Act (permission to carry on regulated activities) specified in regulation 5 apply—
- (a) before exit day, in respect of a person who is authorised to carry on a regulated activity in the United Kingdom by virtue of section 31(1)(b) or (c) of the 2000 Act;
  - (b) on and after exit day, in respect of a person to whom regulation 6 or 9 applies.
- (2) Paragraph (1)(a) only applies to a person if—
- (a) the person has made an application for permission, or for the variation of a permission, under Part 4A of the 2000 Act—
    - (i) on or after the day on which this regulation comes into force, or
    - (ii) before the day on which this regulation comes into force and which has, immediately before that day, not been determined by a regulator in accordance with section 55V of that Act, and
  - (b) the application is in respect of carrying on a regulated activity, on or after exit day, that the person is authorised to carry on by virtue of section 31(1)(b) or (c) of that Act.

## Modifications of Part 4A of the Financial Services and Markets Act 2000

5.—(1) Part 4A of the 2000 Act(a) (permission to carry on regulated activities) is modified as follows.

(2) Section 55A (application for permission) has effect as if—

- (a) in subsection (2), after “subsection (2B)” there were inserted “and to a direction of the PRA or the FCA given with the consent of the other”;
- (b) in subsection (3), after “is in force” there were inserted “, other than a person who is treated as having such a permission by virtue of regulation 6 of the 2018 Regulations,”.

(3) Section 55H (variation by FCA at request of authorised person) has effect as if, after subsection (7), there were inserted—

“(8) Where a person makes an application to vary the permission that the person is treated as having by virtue of regulation 6 of the 2018 Regulations, the FCA may, if it considers it appropriate to do so, treat the application as an application for permission under section 55A.”

(4) Section 55I (variation by PRA at request of authorised person) has effect as if, after subsection (8), there were inserted—

“(9) Where a person makes an application to vary the permission that the person is treated as having by virtue of regulation 6 of the 2018 Regulations, the PRA may, if it considers it appropriate to do so, treat the application as an application for permission under section 55A.”

(5) Section 55J (variation or cancellation on initiative of regulator) has effect as if, after subsection (1) there were inserted—

“(1A) Either regulator may exercise its power under this section in relation to—

- (a) a person to whom regulation 6 of the 2018 Regulations applies, if the person has not made an application for permission under this Part before the end of the period during which, in accordance with section 55U(4)(c), such an application must be made;
- (b) a person to whom regulation 9 of those Regulations applies, if the person has not made an application to vary a permission under this Part before the end of the period during which, in accordance with section 55U(4)(c), such an application must be made.”

(6) Section 55U (applications under Part 4A) has effect as if—

(a) in subsection (4), after paragraph (b), there were inserted—

“and

(c) be made—

- (i) during such period, ending no later than two years beginning with the day on which exit day occurs, as the regulator to which it is to be made may direct, or
- (ii) if the regulator to which it is to be made does not direct such a period, before the end of two years beginning with the day on which exit day occurs.”;

(b) after subsection (4), there were inserted—

“(4A) The power to give a direction under subsection (4)(c) includes the power—

- (a) to give different directions in relation to different persons or categories of person;
- (b) to vary or revoke a previous direction.”

(7) Section 55V (determination of applications) has effect as if—

(a) in subsection (1), for the words from “6 months” to the end there were substituted “three years beginning with the day on which exit day occurs.”;

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(a) Part 4A is inserted by section 11(2) of the Financial Services Act 2012 (c. 21).

- (b) in subsection (2), for the words from “12 months” to the end there were substituted “three years beginning with the day on which exit day occurs.”;
- (c) after subsection (6) there were inserted—
  - “(6A) For the purposes of subsection (6), in the case of a person to whom regulation 6 or 9 of the 2018 Regulations applies, the date stated must be a date that falls before the end of the period of three years beginning with the day on which exit day occurs.”
- (8) Section 55X (determination of applications: warning notices and decision notices) has effect as if, after subsection (4), there were inserted—
  - “(4A) If a regulator decides to refuse an application under this Part, the decision notice must, where applicable, state the day on which regulation 6 or 9 of the 2018 Regulations ceases to apply.
  - (4B) For the purposes of subsection (4A), the day stated must be a day that falls before the end of the period of three years beginning with the day on which exit day occurs.”
- (9) Section 55Z (cancellation of Part 4A permission: procedure) has effect as if, after subsection (2), there were inserted—
  - “(3) If a regulator gives a decision notice under subsection (2) in circumstances where a person to whom regulation 6 or 9 of the 2018 Regulations applies—
    - (a) has not made an application in accordance with section 55U(4)—
      - (i) in the case of a person to whom regulation 6 of those Regulations applies, for permission under this Part, or
      - (ii) in the case of a person to whom regulation 9 of those Regulations applies, to vary a permission under this Part, or
    - (b) has made such an application but has withdrawn it without submitting another, the notice must state the day on which regulation 6 or 9 ceases to apply.
  - (4) For the purposes of subsection (3), the day stated must be a day that falls before the end of the period of three years beginning with the day on which exit day occurs.”
- (10) Section 55Z4 (interpretation of Part 4A) has effect as if, at the appropriate place, there were inserted—
  - ““the 2018 Regulations” means the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018;”.

## CHAPTER 2

### Temporary permission to carry on a regulated activity

#### **Deemed permission under Part 4A of the Financial Services and Markets Act 2000**

6.—(1) A person to whom this regulation applies shall be treated as if the person has permission to carry on a regulated activity in the United Kingdom under Part 4A of the 2000 Act.

(2) The regulated activity a person is permitted to carry on by virtue of this regulation is one which, immediately before exit day, the person is authorised to carry on in the United Kingdom by virtue of section 31(1)(b) or (c) of the 2000 Act.

(3) Reference in an enactment to a person with permission under Part 4A of the 2000 Act (however expressed) is to be read, unless the contrary intention appears, as including a person treated as having permission to carry on a regulated activity under that Part by virtue of this regulation.

(4) Accordingly, a power of a regulator under the 2000 Act is exercisable in respect of such a person and a regulated activity the person is permitted to carry on by virtue of this regulation as it is in respect of a person and a regulated activity the person is permitted to carry on by virtue of Part 4A of that Act.

(5) Such a power is exercisable in relation to, in particular—

- (a) the variation or cancellation of a permission to carry on a regulated activity, or
- (b) the imposition of requirements, prohibitions or restrictions on a person who has such a permission.

#### **Application of regulation 6**

7.—(1) Regulation 6 applies to a person who—

- (a) satisfies the conditions in regulation 8, and
- (b) has taken the steps set out in regulation 12.

(2) Regulation 6 applies to such a person for the period determined in accordance with regulation 15.

#### **Conditions to be satisfied for regulation 6 to apply**

8. The conditions are that, immediately before exit day, the person—

- (a) is authorised to carry on a regulated activity in the United Kingdom by virtue of section 31(1)(b) or (c) of the 2000 Act, and
- (b) is not authorised to carry on a regulated activity by virtue of section 31(1)(a) of that Act.

### CHAPTER 3

#### Temporary variation to carry on additional regulated activity

#### **Deemed variation under Part 4A of the Financial Services and Markets Act 2000**

9.—(1) A person to whom this regulation applies shall be treated as if the person's permission to carry on a regulated activity in the United Kingdom under Part 4A of the 2000 Act were varied.

(2) The variation is that the regulated activity the person is permitted to carry on includes one which, immediately before exit day, the person is authorised to carry on in the United Kingdom by virtue of section 31(1)(b) or (c) of the 2000 Act.

(3) Reference in an enactment to a person's permission under Part 4A of the 2000 Act (however expressed) is to be read, unless the contrary intention appears, as including a regulated activity which is included in the person's permission by virtue of this regulation.

(4) Accordingly, a power of a regulator under the 2000 Act is exercisable in respect of such a person and a regulated activity the person is permitted to carry on by virtue of this regulation as it is in respect of the person and a regulated activity the person is, immediately before exit day, permitted to carry on by virtue of Part 4A of that Act.

(5) Such a power is exercisable in relation to, in particular—

- (a) the variation or cancellation of a permission to carry on a regulated activity, or
- (b) the imposition of requirements, prohibitions or restrictions on a person who has such a permission.

#### **Application of regulation 9**

10.—(1) Regulation 9 applies to a person who—

- (a) satisfies the conditions in regulation 11, and
- (b) has taken one of the steps set out in regulation 12.

(2) Regulation 9 applies to such a person for the period determined in accordance with regulation 15.

### **Conditions to be satisfied for regulation 9 to apply**

11. The conditions are that, immediately before exit day, the person—
- (a) is authorised to carry on a regulated activity in the United Kingdom by virtue of section 31(1)(b) or (c) of the 2000 Act, and
  - (b) is also authorised to carry on a regulated activity by virtue of section 31(1)(a) of that Act.

## CHAPTER 4

### Temporary permission and variation: procedure, etc.

### **Steps to be taken before exit day: application or notification**

12.—(1) For the purposes of regulations 7(1)(b) and 10(1)(b), the steps are that the person has, before exit day—

- (a) made an application—
  - (i) in the case of a person who satisfies the conditions in regulation 8, for permission under Part 4A of that Act, or
  - (ii) in the case of a person who satisfies the conditions in regulation 11, for a variation of such a permission,  
which has, immediately before exit day, not been determined by a regulator in accordance with section 55V of that Act, or
- (b) notified the relevant regulator that the person wishes to be treated in accordance with regulation 6 or 9.

(2) For the purposes of paragraph (1)(b), the notification must—

- (a) be made in such manner, and during such period, and
- (b) contain, or be accompanied by, such information,

as the relevant regulator may direct.

### **Regulator's response**

13.—(1) In the case of an application referred to in regulation 12(1)(a), the relevant regulator must—

- (a) if it considers that—
  - (i) the requirements of section 55U of the 2000 Act (applications under Part 4A: procedure) are satisfied, or
  - (ii) the requirements of that section are satisfied with the exception of those provided by subsection (4), and it would not be possible or practicable for the applicant to comply with the requirements of that subsection before exit day,

confirm in writing to the person making the application that regulation 6 or 9 is to apply;

- (b) if it considers otherwise, confirm in writing to the person making the application that regulation 6 or 9 is not to apply, giving details of the requirements that are not satisfied.

(2) In the case of a notification referred to in regulation 12(1)(b)—

- (a) if the relevant regulator has not made a direction under regulation 12(2), the relevant regulator must confirm in writing to the person submitting the notification that regulation 6 or 9 is to apply;
- (b) if the relevant regulator has made a direction under regulation 12(2), paragraph (3) applies.

(3) Where this paragraph applies, the relevant regulator must—

- (a) if it considers that—

- (i) the notification is made in accordance with the direction, or
  - (ii) the notification is not made in accordance with the direction, and it would not be possible or practicable for the applicant to comply with the direction before exit day, confirm in writing to the person submitting the notification that regulation 6 or 9 is to apply;
- (b) if it considers otherwise, confirm in writing to the person submitting the notification that regulation 6 or 9 is not to apply, giving details of the direction that has not been complied with.

**Further information to be supplied by a person to whom regulation 6 or 9 applies**

- 14.—**(1) A person to whom regulation 6 or 9 applies must notify the relevant regulator if—
- (a) any information contained in or accompanying a notification submitted in accordance with regulation 12(1)(b) changes, or
  - (b) an authorisation by a home state regulator is cancelled or varied.
- (2) For the purposes of paragraph (1), the notification must—
- (a) be made in such manner, and during such period, and
  - (b) contain, or be accompanied by, such information,
- as the relevant regulator may direct.

CHAPTER 5

Temporary permission and variation: duration

**Period during which regulation 6 or 9 is to apply**

- 15.—**(1) For the purposes of regulations 7(2) and 10(2), the period is one that begins with exit day and ends—
- (a) after three years beginning with the day on which exit day occurs, or
  - (b) if earlier, with a day determined in accordance with paragraph (3) or (5).
- (2) Paragraph (3) applies to a person who—
- (a) has made a relevant application—
    - (i) in the case of a person to whom regulation 6 applies, for a permission or cancellation of a permission under Part 4A of the 2000 Act, or
    - (ii) in the case of a person to whom regulation 9 applies, for a variation or cancellation of such a permission, and
  - (b) has not withdrawn the application.
- (3) Where this paragraph applies—
- (a) if the application is granted, the day referred to in paragraph (1)(b) is the day before the date stated in the written notice (issued in accordance with section 55V(5) of the 2000 Act) as that from which permission, variation or cancellation has effect;
  - (b) if the application is refused, the day referred to in paragraph (1)(b) is the day before the day stated in the decision notice (issued in accordance with section 55X(4A) of the 2000 Act) as that on which regulation 6 or 9 ceases to apply.
- (4) Paragraph (5) applies to a person who—
- (a) has not made a relevant application—
    - (i) in the case of a person to whom regulation 6 applies, for a permission or cancellation of a permission under Part 4A of the 2000 Act, or
    - (ii) in the case of a person to whom regulation 9 applies, for a variation or cancellation of such a permission, or

- (b) has made such an application but has withdrawn it without submitting another.
- (5) Where this paragraph applies, the day referred to in paragraph (1)(b) is—
- (a) the day before the day stated in the decision notice (issued in accordance with section 55Z(3) of the 2000 Act) as that on which regulation 6 or 9 ceases to apply, or
  - (b) the day before the day stated in the written notice (issued in accordance with section 55Y(4) of the 2000 Act) as that on which a variation takes effect if—
    - (i) in the case of a person to whom regulation 9 applies, the relevant regulator exercises its power to vary the person’s Part 4A permission under section 55J of the 2000 Act, and
    - (ii) as a result of the variation, there are no longer any regulated activities for which the person is treated as having permission by virtue of regulation 9.
- (6) For the purposes of this regulation—
- (a) a relevant application is an application which is made—
    - (i) on or after exit day, or
    - (ii) before exit day which has, immediately before that day, not been determined by a regulator in accordance with section 55V of the 2000 Act;
  - (b) a reference to an application for permission includes a reference to an application for a variation that is treated as an application for permission by virtue of section 55H(8) or 55I(9) of the 2000 Act.

## CHAPTER 6

### Power to amend time limits

#### **Power to extend the period during which a regulator must determine an application, etc.**

- 16.—**(1) The Treasury may by regulations made by statutory instrument amend—
- (a) regulation 5(7)(a) and (b) to extend the period during which a regulator must determine an application, and
  - (b) regulation 15(1)(a) to extend the period during which regulation 6 or 9 applies,
- if the Treasury considers it necessary to do so.
- (2) The Treasury may only make regulations under paragraph (1) if, no later than six months before the end of the period to be extended, the FCA and the PRA have submitted to the Treasury a joint assessment as to the effect of extending, and not extending, the period on—
- (a) persons (in general) to whom regulation 6 or 9 applies,
  - (b) the UK financial system (within the meaning of section 11 of the 2000 Act<sup>(a)</sup>), and
  - (c) the ability of the FCA and PRA to discharge their functions in a way that advances their objectives under Part 1A of the 2000 Act.
- (3) Regulations under paragraph (1) may not extend the period for the time being by more than 12 months.
- (4) Regulations under paragraph (1) may make consequential amendments to regulation 5(7)(c), (8) and (9) and regulation 22(2).
- (5) A statutory instrument which contains regulations under paragraph (1) is subject to annulment in pursuance of a resolution of either House of Parliament.

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<sup>(a)</sup> Inserted by section 6(1) of the Financial Services Act 2012 (c. 21).



## CHAPTER 7

### Savings

#### Requirements imposed by a domestic regulator

17.—(1) A requirement imposed by a regulator in accordance with section 196 of the 2000 Act (power of intervention) and which has effect immediately before exit day continues to have effect on and after exit day in respect of a person to whom regulation 6 or 9 applies as if it were imposed by the regulator under—

- (a) section 55L (imposition of requirements by FCA) of that Act, or
- (b) section 55M (imposition of requirements by PRA) of that Act.

(2) In respect of a person to whom regulation 6 or 9 applies—

- (a) the FCA may exercise its power under section 55L(3) of the 2000 Act, and
- (b) the PRA may exercise its power under section 55M(3) of that Act,

if it appears that, immediately before exit day, the circumstances set out in section 194(1)(a) or (b) of that Act are satisfied in respect of the person.

(3) Paragraph (2) is without prejudice to section 55L(2) or 55M(2) of the 2000 Act.

#### Requirements imposed by a home state regulator

18.—(1) A requirement imposed by a home state regulator and which has effect immediately before exit day continues to have effect on and after that day in respect of a person to whom regulation 6 or 9 applies as if it were imposed by a regulator under—

- (a) section 55L (imposition of requirements by FCA) of the 2000 Act, or
- (b) section 55M (imposition of requirements by PRA) of that Act.

(2) The requirement only has effect in so far as it could have been imposed by a regulator under those sections.

## CHAPTER 8

### General provision

#### Directions

19. The power to give directions under this Part includes the power—

- (a) to give different directions in relation to different persons or categories of person;
- (b) to vary or revoke a previous direction.

#### Interpretation

20.—(1) In this Part—

“the FCA” means the Financial Conduct Authority;

“home state regulator” means the competent authority of an EEA state in relation to the person concerned; and “competent authority” is construed in accordance with the EU instrument by virtue of which, immediately before exit day, the person derived authorisation to carry on a regulated activity in the United Kingdom;

“the PRA” means the Prudential Regulation Authority;

“regulated activity” has the same meaning as in section 22 of the 2000 Act(a).

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(a) Section 22 is amended by section 7(1) of the Financial Services Act 2012 (c. 21) and by S.I. 2018/135.

(2) A reference to the relevant regulator is, subject to a direction of the PRA or the FCA given with the consent of the other, a reference to—

- (a) the PRA, in a case where the regulated activities to which an application or notification under regulation 12 relates consist of or include a PRA-regulated activity (within the meaning of section 22A of the 2000 Act<sup>(a)</sup>);
- (b) the FCA, in any other case.

## PART 4

### Transitional provision: miscellaneous

#### Persons to whom the modifications in this Part apply

21. The modifications specified in regulations 22 to 24 apply—

- (a) before exit day, in respect of a person who is authorised to carry on a regulated activity in the United Kingdom by virtue of section 31(1)(b) or (c) of the 2000 Act;
- (b) on and after exit day, in respect of a person to whom regulation 6 or 9 applies.

(2) Paragraph (1)(a) only applies to a person if—

- (a) the person has made an application for permission, or for the variation of a permission, under Part 4A of the 2000 Act—
  - (i) on or after the day on which this regulation comes into force, or
  - (ii) before the day on which this regulation comes into force and which has, immediately before that day, not been determined by a regulator in accordance with section 55V of that Act, and
- (b) the application is in respect of carrying on a regulated activity, on or after exit day, that the person is authorised to carry on by virtue of section 31(1)(b) or (c) of that Act.

#### Performance of regulated activities - modifications of Part 5 of the Financial Services and Markets Act 2000

22.—(1) Part 5 of the Financial Services and Markets Act 2000 (performance of regulated activities) is modified as follows.

(2) That Part has effect as if, after section 59 (approval for particular arrangements), there were inserted—

##### “59ZZA Deemed approval for particular arrangements

(1) The appropriate regulator may by notice given to an authorised person treat as approved under section 59 a person who is the subject of an application under section 60.

(2) The period during which a person may be so treated begins at such time on or after exit day as the notice may specify and ends—

- (a) after three years beginning with the day on which exit day occurs, or
- (b) if earlier—
  - (i) if the application is granted, with the day before the day stated in the written notice (given in accordance with section 62(1)) or decision notice (given in accordance with section 62(3)) as that from which approval has effect;
  - (ii) if the application is refused, with the day before the day stated in the decision notice (given in accordance with section 62(3)) as that on which the person is to cease to be treated as approved.

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(a) Section 22A is inserted by section 9 of the Financial Services Act 2012 (c. 21).

(3) The period in subsection (2) is subject to—

- (a) the withdrawal of an approval under section 63;
- (b) the expiry of an approval under section 66(3)(ac).

(4) Reference in an enactment to an approval given by the appropriate regulator under section 59 (however expressed) is to be read, unless the contrary intention appears, as including an approval a person is treated as having by virtue of this section.”

(3) Section 61 (controlled functions: determination of applications) has effect as if, for subsection (3A)(a), there were substituted—

“(a) in a case where the application under section 60 is made by a person—

- (i) applying for permission under Part 4A, and
  - (ii) to whom regulation 6 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 applies,
- means the period within which the application for that permission must be determined under section 55V(1) or (2),

(ab) in a case where the application under section 60 is made by a person—

- (i) applying for a variation of a permission under Part 4A, and
  - (ii) to whom regulation 9 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 applies,
- means the period within which the application for that variation must be determined under section 55V(1) or (2), and”.

(4) Section 62 (applications for approval: procedure and right to refer to Tribunal) has effect as if—

(a) after subsection (1), there were inserted—

“(1A) The notice must state the day from which the approval has effect.”

(b) after subsection (3), there were inserted—

“(3A) The notice must state—

- (a) where the decision is to refuse the application, the day on which the person who is the subject of an application is to cease to be treated as approved in accordance with section 59ZZA;
- (b) where the decision is to grant the application subject to conditions or for a limited period (or both), the day from which the approval has effect.”

(5) Section 63 (withdrawal of approval) has effect as if, after subsection (4), there were inserted—

“(4A) If a regulator decides to withdraw an approval that a person is treated as having by virtue of section 59ZZA, the decision notice must state the day on which that approval is to cease to have effect.

(4B) For the purposes of subsection (4A), the day stated must be a day that falls before the end of the period of three years beginning with the day on which exit day occurs.”

### **Financial Services Compensation Scheme - modifications of Part 15 of the Financial Services and Markets Act 2000**

**23.—**(1) Part 15 of the Financial Services and Markets Act 2000 (Financial Services Compensation Scheme) is modified as follows.

(2) Section 213 (the compensation scheme) has effect as if—

(a) after subsection (4), there were inserted—

“(4A) The compensation scheme may not provide for the scheme manager to have the power to impose levies on a person who is not to be regarded as a relevant person by virtue of subsection (9A).”;

(b) after subsection (9), there were inserted—

“(9A) But a person to whom subsection (9B) applies and who, at that time—

- (a) has not established a branch in the United Kingdom, and
- (b) is treated as if—
  - (i) the person has permission to carry on a regulated activity by virtue of regulation 6 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018, or
  - (ii) the person’s permission to carry on a regulated activity were varied in accordance with regulation 9 of those Regulations,

is not to be regarded as a relevant person in relation to a regulated activity which the person has permission to carry on by virtue of regulation 6 or 9 of those Regulations.

(9B) This subsection applies to a person who is, immediately before exit day—

- (a) a credit institution,
- (b) an insurance intermediary,
- (c) an investment firm,
- (d) a mortgage intermediary,
- (e) a management company, or
- (f) an AIFM in relation to all activities authorised by its home state regulator other than—
  - (i) any services specified by Annex I to the alternative investment fund managers directive in respect of an authorised unit trust scheme, an authorised contractual scheme or an authorised open-ended investment company, or
  - (ii) any activities undertaken as an authorised manager of an ELTIF, as permitted by the ELTIF Regulation.

(9C) For the purposes of subsection (9B)—

“AIFM” means an AIFM as defined in Article 4.1(b) of the alternative investment fund managers directive which—

- (a) is, immediately before exit day, authorised in accordance with Article 6.1 of that directive by its home state regulator to provide services specified by Annex I to that directive, and
- (b) provides those services, or services specified by Article 6.4 of that directive (discretionary portfolio management and non-core services), in the United Kingdom;

“an authorised contractual scheme” has the meaning given by section 237(3);

“an authorised open-ended investment company” has the meaning given by section 237(3);

“an authorised unit trust scheme” has the meaning given by section 237(3);

“collective portfolio management services” means those services set out in Annex II to the UCITS directive which a management company is providing to a UCITS in the United Kingdom;

“credit institution” means a credit institution as defined in Article 4.1(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26th June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 which is, immediately before exit day, authorised (within the meaning of Article 8 of Directive 2013/36/EU of the European Parliament and of the Council of 26th June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC) by its home state regulator;

“ELTIF” means a UK AIF that is, immediately before exit day, authorised by the FCA as a European long-term investment fund under Article 6 of the ELTIF Regulation;

“ELTIF Regulation” means Regulation (EU) No 2015/760 of the European Parliament and of the Council of 29th April 2015 on European Long-term Investment Funds;

“home state regulator” means the competent authority of an EEA state in relation to the person concerned; and “competent authority” is construed in accordance with the EU instrument by virtue of which, immediately before exit day, the person derived authorisation to carry on a regulated activity in the United Kingdom;

“insurance intermediary” means an insurance intermediary or an ancillary insurance intermediary as defined in Article 2.1(3) and (4) of Directive 2016/97/EC of the European Parliament and of the Council of 20th January 2016 on insurance distribution (recast) which is, immediately before exit day, registered (under Article 3 of that Directive) by its home state regulator;

“investment firm” means an investment firm as defined in Article 4.1(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15th May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU which is, immediately before exit, authorised (within the meaning of Article 5 of that Directive) by its home state regulator;

“management company” means a management company as defined in Article 2.1(b) of the UCITS directive which—

- (a) is, immediately before exit day, authorised (within the meaning of Article 6 of that Directive) by its home state regulator to provide services of the kind specified by Article 6.3 of the UCITS directive (management of portfolios of investments) except collective portfolio management services, and
- (b) is providing those services in the United Kingdom;

“mortgage intermediary” means—

- (a) a credit intermediary as defined in Article 4(5) of Directive 2014/17/EU of the European Parliament and of the Council of 4th February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010, or
- (b) a person providing advisory services as defined in Article 4(21) of that Directive, which is, immediately before exit day, admitted (in accordance with Article 29.1 of that Directive) by its home state regulator;

“UCITS” means an undertaking for collective investment in transferable securities which is, immediately before exit day, authorised in accordance with Article 5 of the UCITS directive;

“UK AIF” has the meaning given in regulation 2 of the Alternative Investment Fund Managers Regulations 2013.”

(3) Section 224 (scheme manager’s power to inspect documents held by Official Receiver, etc.) has effect as if, after subsection (3), there were inserted—

“(3A) But a person who is not to be regarded as a relevant person for the purposes of section 213, by virtue of subsection (9A) of that section, is not to be regarded as a relevant person for the purposes of this section.”

## **Insurance and reinsurance - modification of Part 4 of the Solvency 2 Regulations 2015**

**24.—(1)** Part 4 of the Solvency 2 Regulations 2015(a) (approvals) is modified as follows.

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(a) S.I. 2015/575.

(2) Regulation 48 (models) has effect as if, in paragraph (4), for the words from “6 months” to the end there were substituted “three years beginning with the day on which exit day occurs.”.

(3) Regulation 55 (decisions: written notices) has effect as if, after paragraph (2), there were inserted—

“(2A) If the PRA revokes an approval, the written notice must, where applicable, state the day on which regulation 57A ceases to apply.

(2B) For the purposes of paragraph (2A), the day stated must be a day that falls before the end of the period of three years beginning with the day on which exit day occurs.”

(4) Part 4 has effect as if, after Chapter 2, there were inserted—

“CHAPTER 2A

Deemed approval

**54A.**—(1) A person to whom regulation 6 or 9 of the EEA Passport Rights (Amendment etc., and Transitional Provisions) Regulations 2018 applies is to be treated as if the PRA has granted to the person an approval, determined in accordance with paragraphs (2) and (3), with respect to the person carrying on business in the UK through a branch.

(2) In respect of a person—

(a) who, immediately before exit day, is approved by a supervisory authority of an EEA State—

(i) in respect of the matter mentioned in the first column of the following table and

(ii) under the provision of the Solvency 2 Directive mentioned in the corresponding entry in the second column of the table, and

(b) whose approval is applicable to the person’s permanent presence in the UK,

the approval a person is treated as having is the approval mentioned in the corresponding entry in the third column of the table.

| <i>Solvency 2 approval</i>  | <i>Approval granted by supervisory authority of an EEA State</i> | <i>Deemed approval granted by the PRA</i> |
|---|--|---|
| Matching adjustment to the relevant risk-free interest rate term structure                                    | Article 77b of the Solvency 2 Directive                          | Regulation 42                             |
| Volatility adjustment to the relevant risk-free interest rate term structure                                  | Article 77d of the Solvency 2 Directive                          | Regulation 43                             |
| Ancillary own funds   | Article 90 of the Solvency 2 Directive                           | Regulation 44                             |
| Classification of own funds   | Article 95 of the Solvency 2 Directive                           | Regulation 46                             |
| Full and partial internal model   | Article 112 and 113 of the Solvency 2 Directive                  | Regulation 48(1)(a)                       |
| Group internal model to calculate the solvency capital requirement of an insurance or reinsurance undertaking | Article 231 or 233(5) of the Solvency 2 Directive                | Regulation 48(1)(a)                       |

|   |  |                     |
|---|--|---------------------|
| Policy for changing a full and partial internal model | Article 115 of the Solvency 2 Directive    | Regulation 48(1)(c) |
| Transitional measure on risk-free interest rates      | Article 308c of the Solvency 2 Directive   | Regulation 53       |
| Transitional measure on technical provisions          | Article 308d of the Solvency 2 Directive   | Regulation 54       |
| Design of the basic solvency capital requirement      | Article 104(7) of the Solvency 2 Directive | Regulation 47       |

(3) In respect of a person—

- (a) who, immediately before exit day, is applying a volatility adjustment to the relevant risk-free interest rate term structure in order to calculate the best estimate referred to in Article 77(2) of the Solvency 2 Directive on a date specified by the PRA, and
- (b) whose approval by a supervisory authority of an EEA State is not required, the approval a person is treated as having is an approval under regulation 43.”

*Name*

*Name*

Date

Two of the Lords Commissioners of Her Majesty’s Treasury

## SCHEDULE

Regulation 3

### Repeal of passport rights - consequential amendments

#### PART 1

##### The Financial Services and Markets Act 2000 (c. 8)

1. The Financial Services and Markets Act 2000(a) is amended as follows.
2. In section 3E (memorandum of understanding)(b), omit subsection (2)(f) and (k).
3. Omit section 34 (EEA firms)(c).
4. Omit section 35 (Treaty firms)(d).
5. In section 55A (application for permission)(e), omit subsection (4).
6. In section 55Q (exercise of power in support of overseas regulator)(f), omit subsection (2).
7. In section 55R (persons connected with an applicant)(g), omit subsections (2) to (3B).
- 8.—(1) Section 55X (determination of applications: warning notices and decision notices)(h) is amended as follows.
  - (2) In subsection (2), omit “(unless subsection (3) applies)”.
  - (3) Omit subsection (3).
9. In section 137A (the FCA’s general rules)(i), omit subsection (5).
10. In section 137G (the PRA’s general rules)(j), omit subsection (5).
11. In section 168 (appointment of persons to carry out investigations in particular cases)(k), in subsection (1)(b), omit “or under Schedule 4”.
12. Omit Part 13 (incoming firms: intervention by FCA or PRA)(l), except for, in section 195 (exercise of power in support of overseas regulator), subsections (3) and (4).
13. Omit Part 13A (enhanced supervision of firms exercising rights under the Insurance Distribution Directive)(m).
14. In section 213 (the compensation scheme)(n), omit subsections (10) and (11).
15. In section 214 (provisions of the scheme: general), omit subsection (5).
16. In section 224 (scheme manager’s power to inspect documents held by Official Receiver etc.), omit subsection (4).

- 
- (a) 2000 c. 8.  
(b) Inserted by section 6(1) of the Financial Services Act 2012 (c. 21).  
(c) Amended by paragraph 27 of Schedule 4 to the Financial Services Act 2012 (c. 21).  
(d) Amended by paragraph 28 of Schedule 4 to the Financial Services Act 2012 (c. 21).  
(e) Inserted by section 11(2) of the Financial Services Act 2012 (c. 21) and amended by S.I. 2018/135.  
(f) Inserted by section 11(2) of the Financial Services Act 2012 (c. 21).  
(g) Inserted by section 11(2) of the Financial Services Act 2012 (c. 21) and amended by S.I. 2017/701.  
(h) Inserted by section 11(2) of the Financial Services Act 2012 (c. 21) and amended by S.I. 2018/135.  
(i) Inserted by section 24(1) of the Financial Services Act 2012 (c. 21).  
(j) Inserted by section 24(1) of the Financial Services Act 2012 (c. 21).  
(k) Amended by paragraph 8(1) and (2) of Schedule 12 to the Financial Services Act 2012 (c. 21) and S.I. 2016/680.  
(l) Extensively amended.  
(m) Inserted by S.I. 2018/546.  
(n) Amended by S.I. 2011/1613.



17. In section 234K (duty to consider exercise of powers under Competition Act 1998)(a), in subsection (3), omit paragraph (f).

18. In section 313D (interpretation of Part 18A)(b), in subsection (1), in the definition of “institution”, omit from “but does not include” to the end.

19. Omit section 368 (winding-up petitions: EEA and Treaty firms)(c).

20.—(1) Section 425 (expressions relating to authorisation elsewhere in the single market)(d) is amended as follows.

(2) Omit subsection (2).

(3) In the heading, omit “elsewhere”.

21. In Schedule 1ZA (the Financial Conduct Authority)(e), in Part 3 (penalties and fees), omit paragraph 24(a).

22. In Schedule 1ZB (the Prudential Regulation Authority)(f), in Part 3 (penalties and fees), omit paragraph 32(a).

23.—(1) Schedule 6 (threshold conditions) is amended as follows.

(2) Omit Part 1F (authorisation under Schedule 3)(g).

(3) Omit Part 1G (authorisation under Schedule 4)(h).

## PART 2

### Other primary legislation

#### **Agricultural Credits Act 1928 (c. 43)**

24. In section 5 of the Agricultural Credits Act 1928(i) (agricultural charges on farming stock and assets), in the definition of “Bank” in subsection (7), omit paragraph (c).

#### **Solicitors Act 1974 (c. 47)**

25. In section 87 of the Solicitors Act 1974(j) (interpretation)—

(a) in the definition of “bank” in subsection (1)—

(i) for “, a person” substitute “or a person”;

(ii) omit from “or an EEA firm” to the end;

(b) in subsection (1A), omit paragraphs (c) and (d).

#### **Judicial Pensions Act 1981 (c. 20)**

26. In section 33A of the Judicial Pensions Act 1981(a) (voluntary contributions)—

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(a) Inserted by paragraphs 1 and 3 of Schedule 8 to the Financial Services (Banking Reform) Act 2013 (c. 33).

(b) Inserted by S.I. 2007/126 and amended by section 36(a) of the Financial Services Act 2012 (c. 21), S.I. 2013/3115 and S.I. 2017/701.

(c) Amended by paragraphs 1 and 15 of Schedule 14 to the Financial Services Act 2012 (c. 21).

(d) Amended by S.I. 2003/2066, S.I. 2004/3379, S.I. 2006/2975, S.I. 2007/126, S.I. 2007/3253, S.I. 2012/1906, S.I. 2013/1773, S.I. 2013/3115, S.I. 2015/575 and S.I. 2015/910.

(e) Inserted by Schedule 3 to the Financial Services Act 2012 (c. 21).

(f) Inserted by Schedule 3 to the Financial Services Act 2012 (c. 21).

(g) Inserted by S.I. 2013/555.

(h) Inserted by S.I. 2013/555.

(i) 1928 c. 43. The definition “Bank” in section 1(7) is substituted by S.I. 2001/3649.

(j) 1974 c. 47. The definition of “bank” in section 1(1) is substituted by S.I. 2001/3649. Section 1(1A) is inserted by S.I. 2001/3649.

- (a) in subsection (9)—
  - (i) in the definition of “authorised provider”, omit paragraphs (b) and (c);
  - (ii) in the definition of “insurer”, omit paragraph (b);
- (b) omit subsections (9B) to (9E).

#### **Administration of Justice Act 1985 (c. 61)**

**27.** In section 21 of the Administration of Justice Act 1985(b) (professional indemnity and compensation), in subsection (5), omit paragraphs (b) and (c).

#### **Housing Act 1985 (c. 68)**

**28.** In section 622 of the Housing Act 1985(c) (minor definitions: general), in subsection (1)—

- (a) in the definition of “authorised deposit taker”—
  - (i) at the end of paragraph (a), omit “or”;
  - (ii) omit paragraph (b);
- (b) in the definition of “authorised insurer”—
  - (i) at the end of paragraph (a), omit “or”;
  - (ii) omit paragraph (b);
- (c) in the definition of “authorised mortgage lender”, omit paragraphs (b) and (c).

#### **Building Societies Act 1986 (c. 53)**

**29.—**(1) The Building Societies Act 1986(d) is amended as follows.

(2) In section 9A (restrictions on certain transactions), in subsection (5)—

- (a) at the end of paragraph (a), omit “or”;
- (b) omit paragraph (b).

(3) In section 98 (transfers of business: supplementary provisions), in subsection (3)—

- (a) at the end of paragraph (c)(i), omit “or”;
- (b) omit paragraph (c)(ii).

#### **Access to Medical Reports Act 1988 (c. 28)**

**30.** In section 2 of the Access to Medical Reports Act 1988(e) (interpretation), in the definition of “insurer” in subsection (1), omit paragraph (b).

#### **Road Traffic Act 1988 (c. 52)**

**31.** In section 95 of the Road Traffic Act 1988(f) (notification of refusal of insurance on grounds of health), in subsection (3)—

- (a) at the end of paragraph (a), omit “or”;

- 
- (a) 1981 c. 20. Section 33A is inserted by section 82(1) of the Courts and Legal Services Act 1990 (c. 41); the definitions of “authorised provider” and “insurer” in subsection (9) are substituted by S.I. 2001/3649; subsections (9B) to (9E) are inserted by S.I. 2001/3649.
  - (b) 1985 c. 61. Section 21(5) is substituted by S.I. 2001/3649.
  - (c) 1985 c. 68. Section 622(1) was so numbered by S.I. 2001/3649; the definitions of “authorised deposit taker” and “authorised insurer” are inserted by S.I. 2001/3649; the definition “authorised mortgage lender” is inserted by section 307(2) of the Housing and Regeneration Act 2008 (c. 17).
  - (d) 1986 c. 53. Section 9A is inserted by section 10 of the Building Societies Act 1997 (c. 32); subsection (5)(a) and (b) are substituted by S.I. 2001/3649. Section 98(3)(c)(i) and (ii) are substituted by S.I. 2001/3649.
  - (e) 1988 c. 28. The definition of “insurer” in section 2(1) is substituted by S.I. 2001/3649.
  - (f) 1988 c. 52. Section 95(3) is substituted by S.I. 2001/3649.

- (b) omit paragraph (b).

#### **Social Security Administration Act 1992 (c. 5)**

**32.** In section 109B of the Social Security Administration Act 1992(a) (power to require information), in subsection (7)—

- (a) in the definition of “bank”, omit paragraph (b);
- (b) in the definition of “insurer”—
  - (i) at the end of paragraph (a), omit “or”;
  - (ii) omit paragraph (b).

#### **Judicial Pensions and Retirement Act 1993 (c. 8)**

**33.—**(1) The Judicial Pensions and Retirement Act 1993(b) is amended as follows.

(2) In section 10 (additional benefits from voluntary contributions)—

- (a) in subsection (8)—
  - (i) in the definition of “authorised provider”, omit paragraphs (b) and (c);
  - (ii) in the definition of “insurer”, omit paragraph (b);
- (b) omit subsections (8B) to (8E).

(3) In Schedule 2 (transfer of accrued benefits), in the definition of “authorised insurer” in paragraph 1(1)—

- (a) at the end of paragraph (i), omit “or”;
- (b) omit paragraph (ii).

#### **Social Security (Recovery of Benefits) Act 1997 (c. 27)**

**34.** In Schedule 1 to the Social Security (Recovery of Benefits) Act 1997(c) (compensation payments), in paragraph 5—

- (a) at the end of sub-paragraph (2)(a), omit “or”;
- (b) omit sub-paragraph (2)(b).

#### **Bank of England Act 1998 (c. 11)**

**35.—**(1) The Bank of England Act 1998(d) is amended as follows.

(2) In section 17 (power to obtain information), in subsection (7)—

- (a) at the end of paragraph (a), omit “or”;
- (b) omit paragraph (b).

(3) In Schedule 2 (cash ratio deposits), in paragraph 1—

- (a) at the end of sub-paragraph (1A)(c), omit “or”;
- (b) omit sub-paragraph (1A)(d).

---

(a) 1992 c. 5. Section 109B is inserted by paragraph 2 of Schedule 6 to the Child Support, Pensions and Social Security Act 2000 (c. 19); subsection (7) is inserted by section 1(4) of the Social Security Fraud Act 2001 (c. 11); the definition of “bank” and “insurer” in subsection (7) are respectively substituted and inserted by S.I. 2002/817.

(b) 1993 c. 8. The definitions of “authorised provider” and “insurer” in section 10(8) are respectively substituted and inserted by S.I. 2001/3649; subsections (8B) to (8E) are inserted by S.I. 2001/3649. Paragraph 1(1) is numbered as such, and the definition of “authorised insurer” is inserted by S.I. 2001/3649.

(c) 1997 c. 27. Paragraph 5(2) of Schedule 1 is inserted by S.I. 2001/3649.

(d) 1998 c. 11. Section 17(7) is inserted by S.I. 2001/3649. Paragraph 1(1A) of Schedule 2 is inserted by S.I. 2001/3649.

**Trustee Act 2000 (c. 29)**

**36.** In section 29 of the Trustee Act 2000(a) (remuneration of certain trustees), in subsection (3A)—

- (a) at the end of paragraph (a), omit “or”;
- (b) omit paragraph (b).

**Anti-terrorism, Crime and Security Act 2001 (c. 24)**

**37.** In Schedule 1 to the Anti-terrorism, Crime and Security Act 2001(b) (forfeiture of terrorist property), in paragraph 10R (meaning of “bank”), omit sub-paragraph (2)(c).

**Health and Social Care (Community Health and Standards) Act 2003 (c. 43)**

**38.** In Schedule 10 to the Health and Social Care (Community Health and Standards) Act 2003(c) (recovery of NHS charges: exempted payments), in paragraph 4—

- (a) at the end of sub-paragraph (2)(a), omit “or”;
- (b) omit sub-paragraph (b).

**Legal Services Act 2007 (c. 29)**

**39.** In section 64 of the Legal Services Act 2007(d) (modification of the Board’s functions under section 62(1)(b)), in the definition of “authorised insurer” in subsection (5), omit paragraphs (b) and (c).

**Dormant Bank and Building Society Accounts Act 2008 (c. 31)**

**40.** In section 7 of the Dormant Bank and Building Society Accounts Act 2008(e) (definition of “bank”)—

- (a) in subsection (2), omit paragraph (b);
- (b) in subsection (3), omit “or firm”, wherever occurring.

**Terrorist Asset-Freezing etc. Act 2010 (c. 38)**

**41.** In section 41 of the Terrorist Asset-Freezing etc. Act 2010(f) (meaning of “relevant institution”), in subsection (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

**Charities Act 2011 (c. 25)**

**42.** In section 109 of the Charities Act 2011(g) (dormant bank accounts: supplementary), in subsection (3)—

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

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(a) 2000 c. 29. Section 29(3A) is inserted by inserted by paragraph 90(1) and (3) of Schedule 18 to the Financial Services Act 2012 (c. 21).  
(b) 2001 c. 24. Paragraph 10R is inserted by paragraphs 1 and 2 of Schedule 4 to the Criminal Finances Act 2017 (c. 22).  
(c) 2003 c. 43.  
(d) 2007 c. 29.  
(e) 2008 c. 31.  
(f) 2010 c. 38.  
(g) 2011 c. 25.

**Health and Social Care Act 2012 (c. 7)**

43. In section 145 of the Health and Social Care Act 2012(a) (borrowing), in subsection (3)—

- (a) at the end of paragraph (a), omit “or”;
- (b) omit paragraph (b).

**Welfare Reform and Work Act 2016 (c. 7)**

44. In section 19 of the Welfare Reform and Work Act 2016(b) (section 18: further provision), in subsection (8)—

- (a) in the definition of “deposit taker”—
  - (i) at the end of paragraph (a), omit “or”;
  - (ii) omit paragraph (b);
- (b) in the definition of “insurer”—
  - (i) at the end of paragraph (a), omit “or”;
  - (ii) omit paragraph (b).

**PART 3**

Secondary legislation

**Social Security (Payments on account, Overpayments and Recovery) Regulations 1988**

45. In regulation 10 of the Social Security (Payments on account, Overpayments and Recovery) Regulations 1988(c) (conversion of payments made in a foreign currency), in paragraph (2)—

- (a) at the end of sub-paragraph (a), omit “or”;
- (b) omit sub-paragraph (b).

**Building Societies (Transfer of Business) Regulations 1998**

46. In Part 2 of Schedule 1 to the Business Societies (Transfer of Business) Regulations 1998(d) (matters of which particulars are to be included in the case of a transfer to an existing company), in paragraph 10—

- (a) at the end of sub-paragraph (2)(a), omit “or”;
- (b) omit sub-paragraph (2)(b).

**Individual Savings Account Regulations 1998**

47.—(1) The Individual Savings Account Regulations 1998(e) are amended as follows.

(2) In regulation 2 (interpretation), in paragraph (1), omit the definitions of “assurance undertaking”, “European institution” and “relevant authorised person”.

(3) In regulation 6 (general investment rules)—

- (a) in paragraph (4), for “paragraphs (5) and” substitute “paragraph”;
- (b) omit paragraph (5);
- (c) in paragraph (6)(b), omit “and (5)”.

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(a) 2012 c. 7.

(b) 2016 c. 7.

(c) S.I. 1988/664; amended by S.I. 2001/3649 and S.I. 2003/492.

(d) S.I. 1998/212; amended by S.I. 2001/3649.

(e) S.I. 1998/1870; amended by S.I. 2001/3629, S.I. 2011/1780 and S.I. 2014/654.

- (4) In regulation 14 (account manager - qualifications and Board’s approval), in paragraph (2)—
- (a) omit sub-paragraph (b)(ii);
  - (b) omit sub-paragraph (b)(v);
  - (c) omit sub-paragraph (d).
- (5) In regulation 15 (special requirements relating to insurer-managers), omit “or (v)”.
- (6) Omit regulation 16 (account manager - appointment of tax representative).
- (7) In regulation 20 (account manager ceasing to qualify), omit paragraph (1)(e).

#### **Social Landlords (Additional Purposes or Objects) Order 1999**

**48.** In article 3 of the Social Landlords (Additional Purposes or Objects) Order 1999(a) (priority of mortgages), in the definition of “qualifying lending institution” in paragraph (3) (other than as that definition applies to bodies eligible for registration as social landlords by the Housing Corporation in England)—

- (a) at the end of paragraph (b), omit “or”;
- (b) omit paragraph (c).

#### **National Health Service Pension Scheme (Additional Voluntary Contributions) Regulations 2000**

**49.** In regulation 2 of the National Health Service Pension Scheme (Additional Voluntary Contributions) Regulations 2000(b) (interpretation), in the definition of “insurer” in paragraph (1)—

- (a) at the end of paragraph (a) omit “or”;
- (b) omit paragraph (b).

#### **Pig Industry Restructuring (Capital Grant) Scheme 2001**

**50.** In regulation 2 of the Pig Industry Restructuring (Capital Grant) Scheme 2001(c) (interpretation), in the definition of “bank” in paragraph (1), omit paragraph (ii).

#### **Financial Services and Markets Act 2000 (Regulated Activities) Order 2001**

**51.—**(1) The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(d) is amended as follows.

- (2) In regulation 6 (sums paid by certain persons), in paragraph (1), omit sub-paragraph (a)(iii).
- (3) Omit regulation 11 (Community co-insurers).
- (4) In regulation 39B (claims management on behalf of an insurer etc.), in paragraph (2)—
  - (a) at the end of sub-paragraph (a)(ii), insert “or”;
  - (b) omit sub-paragraph (a)(iii);
  - (c) at the end of sub-paragraph (b)(i), insert “or”;
  - (d) omit sub-paragraph (b)(ii);
  - (e) in sub-paragraph (b)(iii), omit “and not falling within paragraph (ii)”.

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(a) S.I. 1999/985; amended by S.I. 2001/3649; it is further amended in relation to bodies eligible for registration as social landlords by the Housing Corporation in England, although those amendments are not relevant to this instrument.

(b) S.I. 2000/619; amended by S.I. 2001/3649.

(c) S.I. 2001/251; amended by S.I. 2001/3649.

(d) S.I. 2001/544; amended by S.I. 2003/1476, S.I. 2007/3254 and S.I. 2013/472.

#### **Child Trust Funds Regulations 2004**

**52.**—(1) The Child Trust Funds Regulations 2004(a) are amended as follows.

(2) In regulation 2 (interpretation), in paragraph (1)(b), omit the definitions of “assurance undertaking”, “European institution” and “relevant authorised person”.

(3) In regulation 11 (general investment rules)—

- (a) in paragraph (5), omit “Subject to paragraph (6),”;
- (b) omit paragraph (6).

(4) In regulation 14 (account provider - qualifications and Board’s approval), in paragraph (2)—

- (a) in sub-paragraph (d)—
  - (i) omit paragraph (ii);
  - (ii) in paragraph (iv), omit “, or any other assurance undertaking”;
- (b) omit sub-paragraph (f).

(5) Omit regulation 15 (account provider - appointment of tax representative).

(6) In regulation 20 (account provider ceasing to qualify), omit paragraph (1)(f).

#### **Financial Services and Markets Act 2000 (Stakeholder Products) Regulations 2004**

**53.** In regulation 2 of the Financial Services and Markets Act 2000 (Stakeholder Products) Regulations 2004(b) (interpretation), in paragraph (1)—

- (a) in the definition of “relevant contract of insurance”—
  - (i) at the end of paragraph (b)(i), omit “or”;
  - (ii) omit paragraph (b)(ii);
- (b) in the definition of “deposit-taker”—
  - (i) at the end of paragraph (a), omit “or”;
  - (ii) omit paragraph (b);
- (c) in the definition of “insurer”—
  - (i) at the end of paragraph (a), omit “or”;
  - (ii) omit paragraph (b).

#### **North Korea (United Nations Measures) Order 2006**

**54.** In article 2 of the North Korea (United Nations Measures) Order 2006(c) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a) omit “and”;
- (b) omit paragraph (b).

#### **Iran (Financial Sanctions) Order 2007**

**55.** In article 2 of the Iran (Financial Sanctions) Order 2007(d) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), omit “and”;
- (b) omit from “an EEA firm” to “accept deposits”.

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(a) S.I. 2004/1450.  
(b) S.I. 2004/2738.  
(c) S.I. 2006/2958.  
(d) S.I. 2007/281.

### **Lasting Powers of Attorney, Enduring Powers of Attorney and Public Guardian Regulations 2007**

**56.** In regulation 34 of the Lasting Powers of Attorney, Enduring Powers of Attorney and Public Guardian Regulations 2007(a) (security given under regulation 33(2)(a): requirement for endorsement), in paragraph (5)—

- (a) in the definition of “authorised insurance company”, omit paragraph (b);
- (b) in the definition of “authorised deposit-taker”, omit paragraph (b).

### **Companies (Authorised Minimum) Regulations 2008**

**57.** In regulation 4 of the Companies (Authorised Minimum) Regulations 2008(b) (the appropriate spot rate of exchange), in paragraph (3)—

- (a) at the end of sub-paragraph (a), omit “or”;
- (b) omit sub-paragraph (b).

### **Zimbabwe (Financial Sanctions) Regulations 2009**

**58.** In regulation 2 of the Zimbabwe (Financial Sanctions) Regulations 2009(c) (interpretation), in the definition of “relevant institution” in paragraph (1)—

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

### **Companies (Authorised Minimum) Regulations 2009**

**59.** In regulation 4 of the Companies (Authorised Minimum) Regulations 2009(d) (the appropriate spot rate of exchange), in paragraph (3)—

- (a) at the end of sub-paragraph (a), omit “or”;
- (b) omit sub-paragraph (b).

### **Somalia (Asset-Freezing) Regulations 2010**

**60.** In regulation 2 of the Somalia (Asset-Freezing) Regulations 2010(e) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Libya (Financial Sanctions) Order 2011**

**61.** In article 2 of the Libya (Financial Sanctions) Order 2011(f) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

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(a) S.I. 2007/1253.  
(b) S.I. 2008/729.  
(c) S.I. 2009/847.  
(d) S.I. 2009/2425.  
(e) S.I. 2010/2956.  
(f) S.I. 2011/548.



### **Egypt (Asset-Freezing) Regulations 2011**

**62.** In regulation 2 of the Egypt (Asset-Freezing) Regulations 2011(a) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Tunisia (Asset-Freezing) Regulations 2011**

**63.** In regulation 2 of the Tunisia (Asset-Freezing) Regulations 2011(b) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Iran (Asset-Freezing) Regulations 2011**

**64.** In regulation 2 of the Iran (Asset-Freezing) Regulations 2011(c) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of sub-paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Afghanistan (Asset-Freezing) Regulations 2011**

**65.** In regulation 2 of the Afghanistan (Asset-Freezing) Regulations 2011(d) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Legal Services Act 2007 (Designation as a Licensing Authority) Order 2011**

**66.** In the Schedule to the Legal Services Act 2007 (Designation as a Licensing Authority) Order 2011(e), in paragraph 2, omit sub-paragraph (4)(a)(iii).

### **Legal Services Act 2007 (Designation as a Licensing Authority) (No. 2) Order 2011**

**67.** In article 4 of the Legal Services Act 2017 (Designation as a Licensing Authority) (No. 2) Order 2011(f) (bank accounts of licensed bodies), in paragraph (4), omit sub-paragraph (a)(iii).

### **ISIL (Da’esh) and Al-Qaida (Asset-Freezing) Regulations 2011**

**68.** In regulation 2 of the ISIL (Da’esh) and Al-Qaida (Asset-Freezing) Regulations 2011(g) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

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(a) S.I. 2011/887.  
(b) S.I. 2011/888.  
(c) S.I. 2011/1129.  
(d) S.I. 2011/1893.  
(e) S.I. 2011/2038.  
(f) S.I. 2011/2866.  
(g) S.I. 2011/2742; amended by S.I. 2016/ 937.

### **Syria (European Union Financial Sanctions) Regulations 2012**

**69.** In regulation 2 of the Syria (European Union Financial Sanctions) Regulations 2012(a) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Guinea-Bissau (Asset-Freezing) Regulations 2012**

**70.** In regulation 2 of the Guinea-Bissau (Asset-Freezing) Regulations 2012(b) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Iraq (Asset-Freezing) Regulations 2012**

**71.** In regulation 2 of the Iraq (Asset-Freezing) Regulations 2012(c) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Republic of Guinea (Asset-Freezing) Regulations 2012**

**72.** In regulation 2 of the Republic of Guinea (Asset-Freezing) Regulations 2012(d) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Democratic Republic of the Congo (Asset-Freezing) Regulations 2012**

**73.** In regulation 2 of the Democratic Republic of the Congo (Asset-Freezing) Regulations 2012(e) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Eritrea (Asset-Freezing) Regulations 2012**

**74.** In regulation 2 of the Eritrea (Asset-Freezing) Regulations 2012(f) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

### **Lebanon and Syria (Asset-Freezing) Regulations 2012**

**75.** In regulation 2 of the Lebanon and Syria (Asset-Freezing) Regulations 2012(g) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- 
- (a) S.I. 2012/129.
  - (b) S.I. 2012/1301.
  - (c) S.I. 2012/1489.
  - (d) S.I. 2012/1508.
  - (e) S.I. 2012/1511.
  - (f) S.I. 2012/1515.
  - (g) S.I. 2012/1517.

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **Belarus (Asset-Freezing) Regulations 2013**

**76.** In regulation 2 of the Belarus (Asset-Freezing) Regulations 2013(a) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013**

**77.** In regulation 4 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013(b) (power to require information), in paragraph (10)—

- (a) in the definition of “bank”—
  - (i) at the end of paragraph (a), insert “or”;
  - (ii) omit paragraph (b);
- (b) in the definition of “insurer”—
  - (i) at the end of paragraph (d), omit “or”;
  - (ii) omit paragraph (e).

#### **Civil Legal Aid (Statutory Charge) Regulations 2013**

**78.** In regulation 19 of the Civil Legal Aid (Statutory Charge) Regulations 2013(c) (interest on damages), in paragraph (4)—

- (a) in sub-paragraph (b), omit “either”;
- (b) at the end of sub-paragraph (b)(i), omit “or”;
- (c) omit sub-paragraph (b)(ii).

#### **Local Government Pension Scheme Regulations 2013**

**79.** In Part 3 of Schedule 2 to the Local Government Pension Scheme Regulations 2013(d) (scheme employers), in paragraph 7—

- (a) at the end of sub-paragraph (a), insert “or”;
- (b) omit sub-paragraph (b).

#### **Ukraine (European Union Financial Sanctions) Regulations 2014**

**80.** In regulation 2 of the Ukraine (European Union Financial Sanctions) Regulations 2014(e) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

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(a) S.I. 2013/164.  
(b) S.I. 2013/501.  
(c) S.I. 2013/503.  
(d) S.I. 2013/2356.  
(e) S.I. 2014/507.

#### **Central African Republic (European Union Financial Sanctions) Regulations 2014**

**81.** In regulation 2 of the Central African Republic (European Union Financial Sanctions) Regulations 2014(a) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **Ukraine (European Union Financial Sanctions) (No. 2) Regulations 2014**

**82.** In regulation 2 of the Ukraine (European Union Financial Sanctions) (No. 2) Regulations 2014(b) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014**

**83.** In regulation 4 of the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014(c) (power to require information), in the definition of “bank” in paragraph (1), omit paragraph (b).

#### **Sudan (European Union Financial Sanctions) Regulations 2014**

**84.** In regulation 2 of the Sudan (European Union Financial Sanctions) Regulations 2014(d) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **Ukraine (European Union Financial Sanctions) (No. 3) Regulations 2014**

**85.** In regulation 2 of the Ukraine (European Union Financial Sanctions) (No. 3) Regulations 2014(e) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **Yemen (European Union Financial Sanctions) Regulations 2014**

**86.** In regulation 2 of the Yemen (European Union Financial Sanctions) Regulations 2014(f) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **South Sudan (European Union Financial Sanctions) (No. 2) Regulations 2015**

**87.** In regulation 2 of the South Sudan (European Union Financial Sanctions) (No. 2) Regulations 2015(g) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;

- 
- (a) S.I. 2014/587.
  - (b) S.I. 2014/693.
  - (c) S.I. 2014/899.
  - (d) S.I. 2014/1826.
  - (e) S.I. 2014/2054.
  - (f) S.I. 2014/3349.
  - (g) S.I. 2015/1361.

- (b) omit paragraph (b).

#### **Burundi (European Union Financial Sanctions) Regulations 2015**

**88.** In regulation 2 of the Burundi (European Union Financial Sanctions) Regulations 2015(a) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **Iran (European Union Financial Sanctions) Regulations 2016**

**89.** In regulation 2 of the Iran (European Union Financial Sanctions) Regulations 2016(b) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **Libya (European Union Financial Sanctions) Regulations 2016**

**90.** In regulation 2 of the Libya (European Union Financial Sanctions) Regulations 2016(c) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016**

**91.** In regulation 6 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016(d) (separate bank account), in paragraph (2), omit sub-paragraph (b).

#### **Democratic People’s Republic of Korea (European Union Financial Sanctions) Regulations 2017**

**92.** In regulation 2 of the Democratic People’s Republic of Korea (European Union Financial Sanctions) Regulations 2017(e) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

#### **Judicial Pensions (Fee-Paid Judges) Regulations 2017**

**93.** In regulation 70 of the Judicial Pensions (Fee-Paid Judges) Regulations 2017(f) (interpretation), in the definition of “authorised insurer” in paragraph (1)—

- (a) at the end of paragraph (a), omit “or”;
- (b) omit paragraph (b).

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(a) S.I. 2015/1740.  
(b) S.I. 2016/36.  
(c) S.I. 2016/45.  
(d) S.I. 2016/946.  
(e) S.I. 2017/218.  
(f) S.I. 2017/522.

**Republic of Mali (European Union Financial Sanctions) Regulations 2017**

**94.** In regulation 2 of the Republic of Mali (European Union Financial Sanctions) Regulations 2017(a) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

**Venezuela (European Union Financial Sanctions) Regulations 2017**

**95.** In regulation 2 of the Venezuela (European Union Financial Sanctions) Regulations 2017(b) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

**Andrey Lugovoy and Dmitri Kovtun Freezing Order 2018**

**96.** In article 2 of the Andrey Lugovoy and Dmitri Kovtun Freezing Order 2018(c) (interpretation), in paragraph (2)—

- (a) before ““relevant institution”” insert “In this Order,”;
- (b) at the end of sub-paragraph (a), omit “and”;
- (c) omit sub-paragraph (b).

**Burma (European Union Financial Sanctions) Regulations 2018**

**97.** In regulation 2 of the Burma (European Union Financial Sanctions) Regulations 2018(d) (interpretation), in the definition of “relevant institution” in paragraph (1)—

- (a) at the end of paragraph (a), insert “or”;
- (b) omit paragraph (b).

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(a) S.I. 2017/972.  
(b) S.I. 2017/1094.  
(c) S.I. 2018/60.  
(d) S.I. 2018/539.

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provision to repeal EEA Passport Rights under Schedule 3 to the Financial Services and Markets Act 2000 (c. 8) (“the 2000 Act”) and Treaty Rights under Schedule 4 to that Act; on and after exit day, persons will not be authorised to carry on regulated activities in the United Kingdom by virtue of these provisions.

Authorisation by virtue of Schedule 3 or 4 of the 2000 act is predicated on reciprocity; in the absence thereof, on and after exit day, these provisions are not considered appropriate; in respect of which, section 8(2)(c) of the European Union (Withdrawal) Act 2018 (c. 16) is relevant.

In these Regulations—

- Part 1 makes general provision as to citation, commencement and interpretation;
- Part 2 amends Part 3 of the Financial Services and Markets Act 2000 (authorisation and exemption) to repeal authorisations to carry on regulated activities, within the meaning of Part 2 of that Act, granted to EEA firms (Schedule 3 to that Act) and Treaty firms (Schedule 4 to that Act);  
the Schedule to these Regulations makes amendments consequential upon these repeals;
- in Part 3:
  - Chapter 1 makes modifications to Part 4A of the Financial Services and Markets Act 2000 for the purposes of the transitional provisions that follow;
  - Chapters 2 and 3 make provision for a person authorised to carry on regulated activities before exit day by virtue of the provisions repealed by Part 2 to continue to do so, by treating the person as having the requisite permission under Part 4A of the Financial Services and Markets Act 2000, pending the determination of an application for permission, or variation of a permission, under that Part;
  - Chapter 4 provides the procedure by which a person may be so treated;
  - Chapter 5 provides for the period during which a person may be so treated;
  - Chapter 6 provides a power for the Treasury to amend certain time limits set by the regulations;
  - Chapter 7 provides saving provision;
  - Chapter 8 provides general and interpretative provision;
- Part 4 makes miscellaneous transitional provision in respect of other areas of financial services legislation which have a bearing on the provisions in Part 3.

An impact assessment of the effect that this instrument, and certain other instruments made by HM Treasury under the European Union (Withdrawal) Act 2018, will have on the costs of business, the voluntary sector and the public sector is available from HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and is published alongside this instrument at [www.legislation.gov.uk](http://www.legislation.gov.uk).