

**2013 No. 1162**

**FINANCIAL SERVICES AND MARKETS**

**The Financial Conglomerates and Other Financial Groups  
(Amendment) Regulations 2013**

<i>Made</i> - - - -	<i>20th May 2013</i>
<i>Laid before Parliament</i>	<i>20th May 2013</i>
<i>Coming into force</i> - -	<i>10th June 2013</i>

The Treasury are a government department designated for the purposes of section 2(2) of the European Communities Act 1972(a) in relation to financial services(b).

The Treasury, in exercise of the powers conferred by section 2(2) of that Act make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Financial Conglomerates and Other Financial Groups (Amendment) Regulations 2013 and come into force on 10th June 2013.

**Amendment to the Financial Conglomerates and Other Financial Groups Regulations 2004**

2. The Financial Conglomerates and Other Financial Groups Regulations 2004(c) are amended as follows.

3. In regulation 1(2) (interpretation)(d), at the end of the definition of “the conglomerates directive” insert “as last amended by Directive 2011/89/EU of the European Parliament and of the Council(e);”.

4.—(1) Regulation 8 (supervision of third-country financial conglomerates)(f) is amended as follows.

(2) In paragraph (2)(c) for “section 185 of the Act (conditions attached to approval of change of control)” substitute “section 187 of the Act (approval with conditions)(g)”.

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(a) 1972 c.68. Section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 (c.51) and the European Union (Amendment) Act 2008 (c.7), section 3(3) and Part 1 of the Schedule.  
(b) S.I. 2012/1759.  
(c) S.I. 2004/1862.  
(d) Regulation 1 was amended by S.I. 2006/3221, S.I. 2007/126, S.I. 2010/2628, S.I. 2011/1613, S.I. 2012/917 and S.I. 2013/472.  
(e) O.J. L 326 8.12.2011, p.113.  
(f) Regulation 8 was amended by S.I. 2011/1043, S.I. 2012/916 and S.I. 2013/472.  
(g) Section 187 was substituted by S.I. 2009/534 and amended by the Financial Services Act 2012 (c.21).

(3) In paragraph (2)(d) for “section 186 or 187 of the Act (notice of objection to acquisition of, or existing, control)” substitute “section 191A (objection by the appropriate regulator) or section 191B (restriction notices) of the Act”(a).

5.—(1) Regulation 9 (supervision of third-country banking groups)(b) is amended as follows.

(2) In paragraph (2)(c) for “section 185” substitute “section 187”.

(3) In paragraph (2)(d) for “section 186 or 187” substitute “section 191A or 191B”.

6.—(1) Regulation 10 (supervision of third-country groups subject to the capital adequacy directive)(c) is amended as follows.

(2) In paragraph (3)(c) for “section 185” substitute “section 187”.

(3) In paragraph (3)(d) for “section 186 or 187” substitute “section 191A or 191B”.

## **Amendments to the Capital Requirements Regulations 2006**

7. The Capital Requirements Regulations 2006(d) are amended as follows.

8. In regulation 1(2) (interpretation)(e)—

(a) in paragraph (c) of the definition of “EEA consolidated supervisor” after “EEA parent financial holding company” insert “or EEA parent mixed financial holding company”;

(b) after the definition of “EEA parent financial holding company” insert—

““EEA parent mixed financial holding company” means a parent mixed financial holding company in an EEA State which is not a subsidiary of another credit institution or investment firm authorised in any EEA State or of another financial holding company or mixed financial holding company set up in any EEA State;”;

(c) in paragraph (c) of the definition of “national consolidated supervisor” after “parent financial holding company in an EEA State” insert “or parent mixed financial holding company in an EEA State”;

(d) in the definitions of “parent credit institution in an EEA State” and “parent investment firm in an EEA State” in each case after “financial holding company” insert “or mixed financial holding company”;

(e) after the definition of “parent financial holding company in an EEA State” insert—

““parent mixed financial holding company in an EEA State” means a mixed financial holding company which is not itself a subsidiary of a credit institution or investment firm authorised in the same EEA State, or of another mixed financial holding company or financial holding company set up in the same EEA State;”;

(f) after the definition of “proposal” insert—

““regulated entity” has the meaning given by article 2(4) of Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate(f);”;

(g) in the definition of “relevant competent authority” for the words “or a subsidiary of an EEA parent financial holding company” substitute “, a subsidiary of an EEA parent financial holding company or a subsidiary of an EEA parent mixed financial holding company;”.

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(a) Sections 191A and 191B were substituted by S.I. 2009/543 and amended by the Financial Services Act 2012 (c.21).

(b) Regulation 9 was amended by S.I. 2006/3221 and S.I. 2013/472.

(c) Regulation 10 was amended by S.I. 2006/3221 and S.I. 2013/472.

(d) S.I. 2006/3221.

(e) Regulation 1(2) was amended by S.I. 2010/2628, 2012/917 and S.I. 2013/472.

(f) O.J. 035, 11.02.2003, p.1.

9. In regulation 2(2)(c) (application for permission)(a) after “EEA parent financial holding company” insert “or EEA parent mixed financial holding company”.

10. For regulation 11(3)(a) and (b) (the appropriate regulator’s duties as an EEA consolidated supervisor: provision of essential information)(b) substitute—

- “(a) the legal structure, governance and organisational structure of the group, including all regulated entities, non-regulated subsidiaries and significant branches belonging to the group, and the parent undertakings;
- (b) the relevant competent authorities and the competent authorities responsible for the supervision of regulated entities in the group;”.

11. At the end of regulation 12A(3) (the appropriate regulator’s duties as an EEA consolidated supervisor: requirement to establish a college of supervisors)(c) insert—

- “(e) competent authorities responsible for the supervision of other regulated entities in the group.”.

### **Amendments to the Financial Services and Markets Act 2000**

12. In paragraph 2 of Schedule 3 to the Financial Services and Markets Act 2000(d) (EEA passport rights: meaning of banking consolidation directive) for “on 24th November 2010 by Directives 2010/76/EU and 2010/78/EU” substitute “by Directive 2011/89/EU”.

### **Amendments to the Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001**

13. In regulation 2 of the Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001(e) (interpretation), at the end of the definition of “conglomerates directive” insert “as last amended by Directive 2011/89/EU of the European Parliament and of the Council”.

*Robert Goodwill*  
*Anne Milton*

20th May 2013

Two Lords Commissioners of Her Majesty’s Treasury

### **EXPLANATORY NOTE**

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

These regulations implement, in part, Directive 2011/89/EU of the European Parliament and of the Council amending Directives 98/78/EC, 2002/87/EC, 2006/48/EC and 2009/138/EC as regards the supplementary supervision of financial entities in a financial conglomerate (OJ L 326 8.12.2011 p.113). The Financial Conduct Authority and Prudential Regulation Authority (the “regulators”) are responsible for implementing other parts of this Directive.

Regulations 2 to 6 amend the Financial Conglomerates and Other Financial Groups Regulations 2004 (S.I. 2004/1862) to update the definition of the financial conglomerates directive and update references to Part 12 of the Financial Services and Markets Act 2000 (control over authorised persons).

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(a) Regulation 2 was amended by S.I. 2013/472.

(b) Regulation 11 was amended by S.I. 2010/2628, S.I. 2012/917 and S.I. 2013/472.

(c) Regulation 12A was inserted by S.I. 2010/2628 and amended by S.I. 2012/917 and S.I. 2013/472.

(d) 2000 c.8. Paragraph 2 of Schedule 3 was substituted by S.I. 2006/3221 and amended by S.I. 2010/2628 and S.I. 2012/917.

(e) S.I. 2001/2188. Regulation 2 was amended by S.I. 2004/1862. There are other amendments not relevant to these Regulations.

Regulations 7 to 11 amend the Capital Requirements Regulations 2006 (S.I. 2006/3221) to include references to mixed financial holding companies in various definitions, to amend the requirement on the regulators to provide essential information to other relevant competent authorities, and to enable the competent authorities of all regulated entities within a group to participate in colleges of supervisors.

Regulations 12 and 13 amend the Financial Services and Markets Act 2000 and the Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001 respectively, to update definitions.

A transposition table setting out how Directive 2011/89/EU is transposed into United Kingdom law is available from HM Treasury, 1 Horseguards Road, London, SW1A 2HQ and on HM Treasury's website ([www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)).

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.