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STATUTORY INSTRUMENTS

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**2019 No. 662**

**EXITING THE EUROPEAN UNION  
FINANCIAL SERVICES**

**The Investment Exchanges, Clearing  
Houses and Central Securities Depositories  
(Amendment) (EU Exit) Regulations 2019**

*Made - - - - 25th March 2019  
Coming into force in accordance with regulation 1(2)  
and (3)*

The Treasury are a government department designated<sup>(1)</sup> for the purposes of section 2(2) of the European Communities Act 1972<sup>(2)</sup> in relation to financial services.

The Treasury, in exercise of the powers conferred by section 2(2) of the European Communities Act 1972, section 286(1) of the Financial Services and Markets Act 2000<sup>(3)</sup> and section 8(1) of, and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018<sup>(4)</sup> (“the 2018 Act”), make the following Regulations.

In accordance with paragraph 1(1) of Schedule 7 to the 2018 Act, a draft of this instrument has been laid before Parliament and approved by a resolution of each House of Parliament.

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(1) [S.I. 2012/1759](#).

(2) [1972 c.68](#). Section 2(2) was amended by section 27 of the Legislative and Regulatory Reform Act [2006 \(c.51\)](#) and by section 3 of, and the Schedule to, the European Union (Amendment) Act [2008 c.7](#). By virtue of the amendment of section 1(2) by section 1 of the European Economic Area Act [1993 \(c.51\)](#), regulations may be made under section 2(2) of the European Communities Act 1972 to implement obligations of the United Kingdom created or arising by or under the Agreement on the European Economic Area signed at Oporto on 2nd May 1993 (Cm 2073) and the Protocol adjusting the Agreement signed in Brussels on 17th March 1993 (Cm 2183). The European Communities Act 1972 is repealed with effect from exit day by section 1 of the European Union (Withdrawal) Act 2018.

(3) [2000 c.8](#). Section 286(1) was amended by paragraph 2 of Schedule 8 to the Financial Services Act [2012 \(c. 21\)](#), and by [S.I. 2017/1064](#).

(4) [2018 c.16](#).

## PART 1

### Introduction

#### **Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019.

(2) This regulation and Part 2 come into force on the day after the day on which these Regulations are made.

(3) The remainder of these Regulations come into force on exit day.

(4) In these Regulations—

“the 2000 Act” means the Financial Services and Markets Act 2000<sup>(5)</sup>;

“the principal Regulations” means the Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges, Clearing Houses and Central Securities Depositories) Regulations 2001<sup>(6)</sup>.

## PART 2

### Amendments coming into force before exit day

#### **Amendments of Parts 18 and 18A of the 2000 Act**

2. The 2000 Act is amended as follows—

(a) in section 301E (disregarded holdings), in subsection (9A)<sup>(7)</sup>, 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”;

(b) in section 313D (interpretation of Part 18A)<sup>(8)</sup>, in subsection (2), in the opening words of paragraph (b), after “systematic internaliser” insert “which”.

#### **Amendments of the Schedule to the principal Regulations**

3. In the Schedule to the principal Regulations, in paragraph 2B<sup>(9)</sup>, in sub-paragraph (1)(a), after “regulation 44(1)”, in both places it occurs, insert “of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017”<sup>(10)</sup>.

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<sup>(5)</sup> 2000 c. 8.

<sup>(6)</sup> S.I. 2001/995. The title of the Regulations was amended by S.I. 2017/1064.

<sup>(7)</sup> Section 301E was substituted by S.I. 2009/534; subsection (9A) was inserted by S.I. 2015/1755.

<sup>(8)</sup> Section 313D was inserted by S.I. 2007/126 and amended by S.I. 2017/701; there are other amendments to the section but none is relevant.

<sup>(9)</sup> Paragraph 2B was inserted by S.I. 2017/701.

<sup>(10)</sup> S.I. 2017/701.

## PART 3

### Amendments of the 2000 Act coming into force on exit day

#### Amendments of Part 18 of the 2000 Act

4. Part 18 of the 2000 Act (recognised investment exchanges, clearings houses and CSDs)(11) is amended in accordance with regulations 5 to 9.

#### Amendments of Part 18, Chapter 1: Exemption

5.—(1) Chapter 1 is amended as follows.

(2) In section 285 (exemption for recognised bodies etc.)(12)—

(a) in subsection (1), for paragraphs (f) and (g) substitute—

“(g) “third country CSD” means a central securities depository, established in a country other than the United Kingdom, which is recognised by the Bank of England pursuant to Article 25 of the CSD regulation.”;

(b) omit subsections (3E) and (3F);

(c) in subsection (3G), for “ESMA” substitute “the Bank of England”;

(d) in subsection (3H), omit “, an EEA CSD”.

(3) In section 285A (powers exercisable in relation to recognised bodies)(13), in subsection (2) for “, recognised CSDs and EEA CSDs” substitute “and recognised CSDs”.

(4) Omit section 287A (application by an investment exchange: persons connected with an applicant)(14).

(5) In section 288A (application by a central securities depository)(15), for “and any directly applicable EU regulation made under that Article” substitute “, and any technical standards originally made or adopted under that Article which are retained direct EU legislation and any technical standards made under that Article by the Bank on or after exit day.”.

(6) In section 289 (applications: supplementary)(16), in subsection (5), for the words from “derive” to the end, substitute—

“derive from any of the following—

(a) the CSD Regulation;

(b) any EU regulation, originally made under the CSD regulation, which is retained direct EU legislation;

(c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation on or after exit day.”(17).

(7) In section 290 (recognition orders)(18), for subsection (1A) substitute—

“(1A) In the case of an application for an order declaring the applicant to be a recognised investment exchange, the reference in subsection (1) to the recognition requirements

(11) The heading of Part 18 was amended by [S.I. 2017/1064](#).

(12) Subsections (1)(f) and (g), and (3E) to (3H) were inserted by [S.I. 2017/1064](#).

(13) Section 285A was inserted by section 29(1) of the Financial Services Act 2012 and subsection (2) was amended by [S.I. 2017/1064](#).

(14) Section 287A was inserted by [S.I. 2017/701](#).

(15) Section 288A was inserted by [S.I. 2017/1064](#).

(16) Subsection (5) was inserted by [S.I. 2017/1064](#).

(17) [1978 c. 30](#).

(18) Subsection (1A) was inserted by [S.I. 2007/126](#) and amended by [S.I. 2017/701](#).

applicable in its case includes a reference to requirements contained in any of the following

- (a) any EU regulation, originally made under the markets in financial instruments directive, which is retained direct EU legislation;
  - (b) any EU regulation, originally made under the markets in financial instruments regulation, which is retained direct EU legislation;
  - (c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the markets in financial instruments regulation on or after exit day.”.
- (8) In section 292 (overseas investment exchanges and overseas clearing houses)(**19**) for subsection (3)(a)(ii) substitute—
- “(ii) requirements contained in any of the following—
- (aa) any EU regulation, originally made under the markets in financial instruments directive, which is retained direct EU legislation;
  - (bb) any EU regulation, originally made under the markets in financial instruments regulation, which is retained direct EU legislation;
  - (cc) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the markets in financial instruments regulation on or after exit day;”.
- (9) In section 293 (notification requirements)(**20**)—
- (a) in subsection (3), at the end insert “as that directive had effect immediately before exit day”;
  - (b) in subsection (7A), for “an EEA CSD” substitute “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”.
- (10) In section 293A (information: compliance with EU requirements)(**21**)—
- (a) in the heading, for “EU” substitute “specified”;
  - (b) in subsection (1), for “qualifying EU provision” substitute “qualifying provision”;
  - (c) in subsection (2), for “an EEA CSD” substitute “a third country CSD”;
  - (d) in subsection (3), for “any directly applicable EU regulation made under the CSD regulation” substitute “, any EU regulation originally made under the CSD regulation which is retained direct EU legislation, or any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation on or after exit day”.
- (11) In section 294 (modification or waiver of rules)(**22**), in subsection (7), for “an EEA CSD” substitute “a third country CSD”.
- (12) In section 295A (on-site inspection of EEA CSDs)(**23**)—
- (a) in the heading, for “EEA” substitute “United Kingdom branches of third country”;
  - (b) in subsection (1)—
    - (i) for “Article 24(1) of the CSD regulation (co-operation in relation to branches of EEA CSDs)” substitute “Article 25(11) of the CSD regulation”;
    - (ii) for “an EEA CSD” substitute “a third country CSD”;

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(19) Subsection (3)(a) was substituted by [S.I. 2017/701](#).

(20) Subsection (3) was amended by paragraph 10(2) of Schedule 8 to the Financial Services Act 2012, [S.I. 2017/1064](#) and [2018/135](#); subsection (7A) was inserted by [S.I. 2017/1064](#).

(21) Section 293A was substituted by paragraph 11 of Schedule 8 to the Financial Services Act 2012, and renumbered by [S.I. 2017/1064](#), which inserted subsections (2) and (3).

(22) Subsection (7) was inserted by [S.I. 2017/1064](#).

(23) Section 295A was inserted by [S.I. 2017/1064](#).

- (c) omit subsection (2).
- (13) In section 296 (appropriate regulator’s power to give directions)(**24**)—
  - (a) in subsection (1A)—
    - (i) for the words “any directly applicable EU regulation” substitute “any qualifying provision”;
    - (ii) after “description specified)” insert “for the purposes of this subsection”;
  - (b) omit subsection (1B);
  - (c) in subsection (2), omit “or EEA CSD”;
  - (d) omit subsection (2B).
- (14) In section 297 (revoking recognition)(**25**)—
  - (a) in subsection (2A), in paragraph (c)—
    - (i) for “a directly applicable EU regulation” substitute “any qualifying provision”;
    - (ii) after “description specified)” insert “for the purposes of this subsection”;
  - (b) omit subsection (6).
- (15) In section 298 (directions and revocation: procedure)(**26**)—
  - (a) in subsection (6), in paragraph (aa), omit “or an EEA CSD” and “or EEA CSD”;
  - (b) in subsection (6A), omit paragraph (ab);
  - (c) in subsection (7A), omit “or EEA CSD”;
  - (d) omit subsection (7B);
  - (e) omit subsection (9).
- (16) In section 300A (power of appropriate regulator to disallow excessive regulatory provision)(**27**), in subsection (3)(a), omit “EU law or”.

#### **Amendments of Part 18, Chapter 1A: Control over recognised investment exchange**

- 6.—**(1) Chapter 1A (control over recognised investment exchange) is amended as follows.
- (2) In section 301E (disregarded holdings)(**28**)—
  - (a) in subsection (4)—
    - (i) in paragraph (a), for “article 4.1.7 of the markets in financial instruments 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 a regulated activity which is any of the investment services or activities; and”;
  - (b) in subsection (5), for “credit institution” substitute “qualifying credit institution”;
  - (c) in subsection (6)—

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(24) Subsections (1A), (1B) and (2B) were inserted by [S.I. 2007/126](#); subsections (1A) and (2) were amended by paragraphs 14(3) (a) and (b) and (4) of Schedule 8 to the Financial Services Act 2012 and [S.I. 2017/1064](#).

(25) Subsection (2A) was inserted by [S.I. 2007/126](#) and amended by paragraph 15(3) of Schedule 8 to the Financial Services Act 2012 and [S.I. 2013/504](#) and [2017/1064](#). Subsection (6) was inserted by [S.I. 2012/916](#) and amended by paragraph 15(5) of Schedule 8 to the Financial Services Act 2012.

(26) Subsections (6)(aa), (6A)(ab), (7A), (7B) and (9) were inserted by [S.I. 2017/1064](#)

(27) Section 300A was inserted by section 1 of the Investment Exchanges and Clearing Houses Act 2006 (c. 55). Subsection (3) was amended by [S.I. 2011/1043](#).

(28) Section 301E was inserted by [S.I. 2007/126](#) and substituted by [S.I. 2009/534](#); subsection (4)(a) was amended by [S.I. 2017/701](#) and subsection (7) was amended by [S.I. 2011/1613](#).

- (i) in the opening words and in paragraph (b), for “credit institution” substitute “qualifying credit institution”;
  - (ii) in paragraph (a), in sub-paragraph (ii), omit the words from “in accordance with” to “directive”;
  - (d) in subsection (7), for “Article 2.1(b) of the UCITS directive” substitute “section 237(2)”.
- (3) In section 301M (interpretation of Chapter 1A of Part 18)(**29**), in subsection (1) omit the definition of “credit institution”.

### **Amendment of Part 18, Chapter 3A: Passport Rights**

- 7. Omit Chapter 3A(**30**).

### **Amendments of Part 18, Chapter 3B: disciplinary measures**

- 8.—(1) Chapter 3B is amended as follows.
- (2) In section 312E (public censure)(**31**)—
  - (a) omit subsection (1A);
  - (b) in subsection (2), in paragraph (c), for “qualifying EU provision”, substitute “qualifying provision”;
  - (c) in subsection (3)—
    - (i) in paragraph (a), for “, a recognised CSD or an EEA CSD” substitute “or a recognised CSD”;
    - (ii) in paragraph (c), for “qualifying EU provision” substitute “qualifying provision”.
- (3) In section 312F (financial penalties)(**32**), omit subsection (2).
- (4) In section 312FA (central securities depositories: further disciplinary measures)(**33**), omit subsection (5).
- (5) In section 312G (proposal to take disciplinary measures)(**34**), omit subsection (5).
- (6) In section 312H (decision notice)(**35**), omit subsection (5).
- (7) In section 312I (publication)(**36**), in paragraph (a), omit “, EEA CSD”.

### **Amendment of Part 18, Chapter 4: Interpretation**

- 9. In section 313 (interpretation of Part 18)(**37**), in subsection (1)—
  - (a) omit the definition of “EEA CSD”;
  - (b) in the definition of “the EMIR regulation”(**38**), for the words from “reference” to the end, substitute—

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(29) Section 301M was inserted by [S.I. 2009/534](#); subsection (1) was amended by [S.I. 2013/3115](#).

(30) Chapter 3A was inserted by [S.I. 2007/126](#), and amended by section 35 of, and paragraphs 1 and 33 to 37 of Schedule 8 to, the Financial Services Act 2012, and [S.I. 2011/1043](#), [2012/916](#), and [2017/701](#).

(31) Section 312E was inserted by section 33 of the Financial Services Act 2012; subsection (1A) and paragraphs (3)(a) and (c) were inserted and amended, respectively, by [S.I. 2017/1064](#).

(32) Subsection (2) was inserted by [S.I. 2017/1064](#).

(33) Section 312FA was inserted by [S.I. 2017/1064](#).

(34) Section 312G was inserted by section 33 of the Financial Services Act 2012 and subsection (5) was inserted by [S.I. 2017/1064](#).

(35) Section 312H was inserted by section 33 of the Financial Services Act 2012 and subsection (5) was inserted by [S.I. 2017/1064](#).

(36) Section 312I was inserted by section 33 of the Financial Services Act 2012 and paragraph (a) was amended by [S.I. 2017/1064](#).

(37) In subsection (1), the definition of “EEA CSD” was inserted by [S.I. 2017/1064](#); the definition of “the EMIR regulation” was inserted by [S.I. 2013/504](#); the definition of “multilateral trading facility”, and “regulated market” were inserted by [S.I. 2007/126](#) and amended by [S.I. 2017/701](#); the definition of “organised trading facility” was inserted by [S.I. 2017/701](#).

(38) The definition is amended before exit day by regulation 3(b) of these Regulations.

“reference to requirements contained in or to functions under the EMIR regulation includes a reference (as the case may be) to requirements contained in or to functions under—

- (a) any EU regulation, originally made under the EMIR regulation, which is retained direct EU legislation; or
- (b) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the EMIR regulation on or after exit day;”;
- (c) for the definition of “multilateral trading facility” substitute—  
““multilateral trading facility” means a UK multilateral trading facility as defined by Article 2(1)(14A) of the markets in financial instruments regulation;”;
- (d) for the definition of “organised trading facility” substitute—  
““organised trading facility” means a UK organised trading facility as defined by Article 2(1)(15A) of the markets in financial instruments regulation;”;
- (e) for the definition of “regulated market” substitute—  
““regulated market” means a UK regulated market as defined by Article 2(1)(13A) of the markets in financial instruments regulation;”.

#### **Amendments of Part 18A of the 2000 Act**

**10.**—(1) Part 18A of the 2000 Act (suspension and removal of financial instruments from trading)(**39**) is amended as follows.

(2) In section 313CA (suspension or removal of financial instruments from trading: notification and trading on other venues)(**40**), for subsection (4) substitute—

“(4) The FCA must publish a decision of any of the following kinds in such a manner as the FCA considers appropriate—

- (a) a decision to impose a requirement under section 313A;
- (b) a decision to revoke a requirement imposed under section 313A;
- (c) a decision to impose, or to revoke or not to impose, a requirement under subsection (2).

(5) Subsection (4) does not require a decision to be published if it has already been published under section 313B(2)(b) or 313BE(5).”.

(3) In section 313CB (suspension or removal of a financial instrument from trading by a trading venue: FCA duties)(**41**)—

(a) for subsection (5) substitute—

“(5) The FCA must publish any decision to impose, or to revoke or not to impose, a requirement under subsection (2) in such a manner as the FCA considers appropriate.”;

(b) in subsection (6), for paragraph (c) substitute—

“(c) a qualifying credit institution that has Part 4A permission to carry on the regulated activity of accepting deposits.”.

(4) Omit section 313CC (suspension or removal of a financial instrument from trading in another EEA state: FCA duties)(**42**).

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(39) Part 18A was inserted by [S.I. 2007/126](#).

(40) Section 313CA was inserted by [S.I. 2017/701](#).

(41) Section 313CB was inserted by [S.I. 2017/701](#).

(42) Section 313CC was inserted by [S.I. 2017/701](#).



- (5) In section 313D (interpretation of Part 18A)(43)—
- (a) in subsection (1)—
- (i) omit the definition of “competent authority”;
  - (ii) in the definition of “derivative”, for the words from “points (4)” to “directive” substitute “paragraphs 4 to 10 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)”(44);
  - (iii) for the definition of “financial instrument” substitute—
    - ““financial instrument” means an instrument specified in Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;”;
  - (iv) in the definition of “institution”, for paragraphs (c) and (d) substitute—
    - “(c) a qualifying credit institution that has Part 4A permission to carry on the regulated activity of accepting deposits, when carrying out investment services or activities; or
    - (d) a qualifying credit institution other than one that has Part 4A permission to carry on the regulated activity of accepting deposits;”;
  - (v) in the definition of “regulatory information service”, omit paragraph (b) and the “or” that precedes it;
  - (vi) for the definitions of “systematic internaliser” and “trading venue” substitute—
    - ““systematic internaliser” has the meaning given in Article 2(1)(12) of the markets in financial instruments regulation;
    - “trading venue” means a UK trading venue, as defined by Article 2(1)(16A) of the markets in financial instruments regulation.”;
- (b) in subsection (2)—
- (i) for paragraph (a) (including the “or” at the end) substitute—
    - “(a) it is established in the United Kingdom; or”;
  - (ii) in paragraph (b)—
    - (aa) in sub-paragraph (i), for “Article 4.1.30 of the directive” substitute “Article 2(1)(20) of the markets in financial instruments regulation”;
    - (bb) in sub-paragraph (ii), for the words from “section 313CA(2)” to the end substitute “section 313CA(2) or 313CB(2)”.

### **Amendments of Schedule 17A to the 2000 Act**

**11.** Schedule 17A to the 2000 Act (further provision in relation to the exercise of Part 18 functions by Bank of England)(45) is amended as follows.

#### **Amendment of Schedule 17A: rules**

**12.** In paragraph 10(46), in sub-paragraph (2), omit the words “, an EEA CSD”.

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(43) Section 313D was renumbered by S.I. 2017/701. In subsection (1), the definitions of “competent authority”, “derivative”, “systematic internaliser” and “trading venue” were inserted by S.I. 2017/701; the definition of “financial instrument” was amended by S.I. 2017/701. Subsection (2) was inserted by S.I. 2017/701.

(44) S.I. 2001/544. Schedule 2 was substituted by S.I. 2006/3384 and amended by S.I. 2017/488.

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

(46) Sub-paragraph (2) was amended by S.I. 2017/1064.



### **Amendments of Schedule 17A: information gathering and investigations**

13.—(1) In paragraph 12(47), for the words from “recognised clearing house” to the end substitute “recognised clearing house or a recognised CSD”.

(2) In paragraph 13(48), omit sub-paragraph (1A).

(3) In paragraph 14(49), in sub-paragraph (2)—

(a) in paragraph (d), for “qualifying EU provision” substitute “qualifying provision”;

(b) omit paragraph (f).

### **Amendment of Schedule 17A: co-operation**

14. After paragraph 23, insert—

*“Co-operation*

**23A.** Section 354B (co-operation) applies in relation to the Bank for the purposes of, or in the discharge of, any of its functions under—

(a) the EMIR regulation;

(b) the CSD regulation;

(c) the SFT regulation;

(d) any EU regulation, originally made under the CSD regulation or the SFT regulation, which is retained direct EU legislation; or

(e) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation, or the SFT regulation, on or after exit day.”

### **Amendments of Schedule 17A: injunctions and restitution**

15.—(1) In paragraph 26(50), in sub-paragraph (2)—

(a) in paragraph (a), for “, a recognised CSD or an EEA CSD” substitute “or a recognised CSD”;

(b) in paragraph (c), for “qualifying EU provision” substitute “qualifying provision”.

(2) In paragraph 28(51)—

(a) in sub-paragraph (2)—

(i) in the words before paragraph (a), for “, a recognised CSD or an EEA CSD” substitute “or a recognised CSD”;

(ii) in paragraph (a), for “, the recognised CSD or the EEA CSD” substitute “or the recognised CSD”;

(b) in sub-paragraph (4)(a), for “, the recognised CSD or the EEA CSD” substitute “or the recognised CSD”.

### **Amendment of Schedule 17A: records**

16. In paragraph 32(52), for “EEA CSDs” substitute “third country CSDs”.

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(47) Paragraph 12 was amended by [S.I. 2017/1064](#).

(48) Sub-paragraph (1A) was inserted by [S.I. 2017/1064](#).

(49) Sub-paragraphs (2)(d) and (2)(f) were amended and inserted, respectively, by [S.I. 2017/1064](#).

(50) Sub-paragraph (2)(a) was amended by [S.I. 2017/1064](#).

(51) Sub-paragraphs (2)(a) and (4)(a) were amended by [S.I. 2017/1064](#).

(52) Paragraph 32 was amended by [S.I. 2017/1064](#).

### **Amendment of Schedule 17A: annual report**

17. In paragraph 33(53), for “EEA CSDs” substitute “third country CSDs”.

## **PART 4**

### Amendments of the principal Regulations coming into force on exit day

#### **Amendments of the principal Regulations**

18. The principal Regulations are amended as follows.

#### **Amendments of regulation 3**

- 19.—(1) Regulation 3 (interpretation)(54) is amended as follows.

- (2) In paragraph (1)—

- (a) for the definition of “algorithmic trading” substitute—

““algorithmic trading” means trading in financial instruments where a computer algorithm automatically determines individual parameters of orders such as whether to initiate the order, the timing, price or quantity of the order or how to manage the order after its submission, with limited or no human intervention, and does not include any system that is only used for the purpose of routing orders to one or more trading venues or for the processing of orders involving no determination of any trading parameters or for the confirmation of orders or the post-trade processing of executed transactions;”;

- (b) omit the definition of “branch”;

- (c) in the definition of “commodity derivatives”, for “Article 4.1.50 of the markets in financial instruments directive” substitute “Article 2(1)(30) of the markets in financial instruments regulation”;

- (d) omit the definitions of “competent authority” and “credit institution”;

- (e) in the definition of “depository receipts”, for “Article 4.1.45 of the markets in financial instruments directive” substitute “Article 2(1)(25) of the markets in financial instruments regulation”;

- (f) for the definition of “derivative” substitute—

““derivative” has the meaning given in Article 2(1)(29) of the markets in financial instruments regulation;”;

- (g) for the definition of “direct electronic access” substitute—

““direct electronic access” means an arrangement where a member or participant or client of a trading venue permits a person to use its trading code so the person can electronically transmit orders relating to a financial instrument directly to the trading venue and includes arrangements which involve the use by a person of the infrastructure of the member or participant or client, or any connecting system provided by the member or participant or client, to transmit the orders (direct market access) and arrangements where such an infrastructure is not used by a person (sponsored access);”;

- (h) for the definition of “emission allowances” substitute—

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(53) Sub-paragraph (a) was amended by S.I. 2017/1064.

(54) Regulation 3 was amended by S.I. 2006/3386, 2009/1853, 2013/472, 2013/504, 2013/1908, 2013/3115 and 2017/1064.

- ““emission allowances” has the meaning given in paragraph 11 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;”;
- (i) in the definition of “exchange traded fund”, for “Article 4.1.46 of the markets in financial instruments directive” substitute “Article 2(1)(26) of the markets in financial instruments regulations”;
- (j) in the definition of “financial instrument”, for “Article 4.1.15 of the markets in financial instruments directive” substitute “Article 2(1)(9) of the markets in financial instruments regulation”;
- (k) for the definition of “group” substitute—  
““group” means a parent undertaking and all its subsidiary undertakings, and for those purposes, “parent undertaking” and “subsidiary undertaking” have the same meaning as in section 420 of the Act;”;
- (l) for the definition of “high frequency algorithmic trading technique” substitute—  
““high-frequency algorithmic trading technique” means an algorithmic trading technique characterised by—  
(a) infrastructure intended to minimise network and other types of latencies, including at least one of the following facilities for algorithmic order entry—  
—  
(i) co-location;  
(ii) proximity hosting; or  
(iii) high-speed direct electronic access;  
(b) system-determination of order initiation, generation, routing or execution without human intervention for individual trades or orders; and  
(c) high message intraday rates which constitute orders, quotes or cancellations;”;
- (m) for the definition of “liquid market” substitute—  
““liquid market” means a market for a financial instrument or a class of financial instruments, where there are ready and willing buyers and sellers on a continuous basis, assessed in accordance with the following criteria, taking into consideration the specific market structures of the particular financial instrument or of the particular class of financial instrument—  
(a) the average frequency and size of transactions over a range of market conditions, having regard to the nature and cycle of products within the class of financial instrument;  
(b) the number and type of market participants, including the ratio of market participants to traded instruments in a particular product;  
(c) the average size of spreads, where available;”;
- (n) after the definition of “market contract”, insert the following definition—  
““market operator” has the meaning given in Article 2(1)(10) of the markets in financial instruments regulation;”;
- (o) for the definition of “matched principal trading” substitute—  
““matched principal trading” means a transaction where the facilitator interposes itself between the buyer and the seller to the transaction in such a way that it is never exposed to market risk throughout the execution of the transaction, with

- both sides executed simultaneously, and where the transaction is concluded at a price where the facilitator makes no profit or loss, other than a previously disclosed commission, fee or charge for the transaction;”;
- (p) in the definition of “multilateral system”, for “Article 4.1.19 of the markets in financial instruments directive” substitute “Article 2(1)(11) of the markets in financial instruments regulation”;
- (q) for the definition of “multilateral trading facility” substitute—  
 ““multilateral trading facility” means a UK multilateral trading facility within the meaning given in Article 2(1)(14A) of the markets in financial instruments regulation;”;
- (r) after the definition of “the Northern Ireland Order”, insert—  
 ““organised trading facility” means a UK organised trading facility within the meaning given in Article 2(1)(15A) of the markets in financial instruments regulation;  
 “qualifying credit institution” has the meaning given in section 417 of the Act, and for the purposes of that definition, “Part 4A permission” and “the regulated activity of accepting deposits” have the same meaning as in the Act;”;
- (s) for the definition of “regulated market” substitute—  
 ““regulated market” means a UK regulated market within the meaning of Article 2(1)(13A) of the markets in financial instruments regulation;”;
- (t) for the definition of “senior management” substitute—  
 ““senior management” means natural persons who exercise executive functions within an investment firm, a market operator or a data reporting services provider and who are responsible, and accountable to the management body, for the day-to-day management of the entity, including for the implementation of the policies concerning the distribution of services and products to clients by the firm and its personnel;”;
- (u) for the definition of “SME growth market” substitute—  
 ““SME growth market” means a multilateral trading facility that is registered as an SME growth market in accordance with Part 5.10 of the Market Conduct sourcebook;”;
- (v) in the definition of “sovereign debt”, for “Article 4.1.61 of the markets in financial instruments directive” substitute “Article 2(1)(46) of the markets in financial instruments regulation”;
- (w) in the definition of “structured finance products”, for “Article 4.1.48 of the markets in financial instruments directive” substitute “Article 2(1)(28) of the markets in financial instruments regulation”;
- (x) in the definition of “systematic internaliser”, for “Article 4.1.20 in the markets in financial instruments directive” substitute “Article 2(1)(12) of the markets in financial instruments regulation”;
- (y) in the definition of “third country firm”, for “Article 4.1.57 of the markets in financial instruments directive” substitute “Article 2(1)(42) of the markets in financial instruments regulation”;
- (z) in the definition of “transferable securities”, for “Article 4.1.44 of the markets in financial instruments directive” substitute “Article 2(1)(24) of the markets in financial instruments regulation”;
- (aa) omit the definition of “UK firm”.

(3) After paragraph (1A) insert—

“(1B) Any reference in these Regulations to a sourcebook is to a sourcebook in the Handbook of Rules and Guidance published by the FCA containing rules made by the FCA under the 2000 Act as the sourcebook has effect on exit day.”.

### **Amendments to the Schedule**

**20.**—(1) The Schedule is amended as follows.

(2) In paragraph 2B (management body: significant exchanges)—

(a) in sub-paragraph (2)(b)(ii), omit the words following “qualifying holding”;

(b) after sub-paragraph (6), insert—

“(7) In sub-paragraph (2)(b)(ii)—

“qualifying holding” means a direct or indirect holding in an investment firm which represents 10 % or more of the capital or of the voting rights, as set out in Articles 9 and 10 of [Directive 2004/109/EC](#), taking into account the conditions regarding aggregation thereof laid down in Article 12(4) and (5) of that Directive, or which makes it possible to exercise a significant influence over the management of the investment firm in which that holding subsists;

“[Directive 2004/109/EC](#)” means [Directive 2004/109/EC](#) of the European Parliament and of the Council on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.”.

(3) In paragraph 3B (halting trading), in sub-paragraph (4), for “in an EEA state” substitute “in the United Kingdom”.

(4) In paragraph 3C (direct electronic access)—

(a) in sub-paragraph (a)—

(i) for paragraph (i) substitute—

“(i) an investment firm which has permission under Part 4A of the Act to carry on a regulated activity which is any of the investment services or activities;”;

(ii) for paragraph (ii) substitute—

“(ii) a qualifying credit institution that has Part 4A permission to carry on the regulated activity of accepting deposits;”;

(iii) for paragraph (iii) substitute—

“(iii) is a person who falls within regulation 30(1A) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 and has permission under Part 4A of the Act to carry on a regulated activity which is any of the investment services or activities;”;

(iv) in sub-paragraph (iv), omit “or 47.3 (equivalence decisions)”;

(b) in sub-paragraph (c)—

(i) after “requirements of” insert “any provisions of the law of the United Kingdom relied on by the United Kingdom before exit day to implement”;

(ii) after “service” insert “, as those provisions have effect on exit day, in the case of rules made by the FCA under the Act, and as amended from time to time, in all other cases”.

(5) In paragraph 3G (tick size regimes)—

(a) for sub-paragraph (1)(b) substitute—

- “(b) any financial instrument for which technical standards are adopted by the FCA under paragraphs 24 and 25 of Part 2 of Schedule 3 to the markets in financial instruments regulation which is traded on that trading venue.”;
- (b) for sub-paragraph (3) substitute—
- “(3) The tick size regime must comply with Commission Delegated Regulation (EU) 2017/588 of 14 July 2016 supplementing [Directive 2014/65/EU](#) of the European Parliament and of the Council with regard to regulatory technical standards on the tick size regime for shares, depositary receipts and exchange-traded funds.”.
- (6) In paragraph 3H (synchronisation of business clocks), for the words from “regulatory technical standards” to the end substitute “Commission Delegated Regulation (EU) 2017/574 of 7 June 2016 supplementing [Directive 2014/65/EU](#) of the European Parliament and of the Council with regard to regulatory technical standards for the level of accuracy of business clocks”.
- (7) In paragraph 7B (access to the exchange’s facilities)—
- (a) in sub-paragraph (2), for “credit institution” substitute “qualifying credit institution” in both places it occurs;
- (b) omit sub-paragraph (4).
- (8) In paragraph 7BB (position reporting)—
- (a) in sub-paragraph (2)(a), for the words “a delegated act” to “directive” substitute “article 83 (position reporting) of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing [Directive 2014/65/EU](#) of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive”;
- (b) in sub-paragraph (4)—
- (i) in paragraph (a), for “credit institution” substitute “qualifying credit institution”;
- (ii) for paragraph (b) substitute—
- “(b) an investment fund, either as an undertaking for collective investment in transferable securities within the meaning of section 236A of the Act, an AIF or an AIFM within the meaning of regulations 3 and 4 respectively of the Alternative Investment Fund Managers Regulations 2013;”(55);
- (iii) for paragraph (c) substitute—
- “(c) another financial institution, including an insurance undertaking within the meaning of section 417 of the Act, a reinsurance undertaking within the meaning of section 417 of the Act, and an occupational pension scheme within the meaning of section 1(1) of the Pension Schemes Act 1993;”(56);
- (c) in sub-paragraph (5), omit “and ESMA”.
- (9) In paragraph 7C (access to central counterparty, clearing and settlement facilities), omit sub-paragraph (3).
- (10) In paragraph 9 (complaints), in sub-paragraph (6)—
- (a) omit “and” at the end of paragraph (c);
- (b) for paragraph (d) substitute—

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(55) [S.I. 2013/1773](#).

(56) [1993 c.48](#). Section 1 was amended by section 239 of the Pension Schemes Act 2004 (c. 35) and [S.I. 2007/3014](#).

- “(d) any EU regulation originally made under the markets in financial instruments directive or the markets in financial instruments regulation which is retained direct EU legislation; and
- (e) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the markets in financial instruments regulation on or after exit day.”.

(11) In paragraph 9ZB (specific requirements for regulated markets; admission of financial instruments to trading), in sub-paragraph (6)—

(a) in the definition of “the disclosure obligations”, for paragraphs (b), (c) and (d) substitute—

“(b) those provisions of Part 6 of the Act and Part 6 rules (within the meaning of section 73A of the Act) which were relied on by the United Kingdom before exit day to implement—

- (i) Articles 3, 5, 7, 8, 14 and 16 of [Directive 2003/71/EC](#) of the European Parliament and of the Council of 4 November 2003 on the prospectuses to be published when securities are offered to the public or admitted to trading;
- (ii) Articles 4 to 6, 14 and 16 to 19 of [Directive 2004/109/EC](#) of the European Parliament and of the Council of 15 December 2004 relating to the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market;

as they have effect on exit day in the case of Part 6 rules;

- (c) any EU regulation, originally made under any of the provisions mentioned in paragraphs (a), (b)(i) and (b)(ii), which is retained direct EU legislation;
- (d) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under any of the provisions mentioned in paragraphs (a), (b)(i) and (b)(ii) on or after exit day.”;

(b) omit the words from “and the legislation” to the end of the sub-paragraph.

(12) In paragraph 9ZC (specific requirements for regulated markets: access to a regulated market)

—  
(a) for sub-paragraph (a) substitute—

“(a) an investment firm which has permission under Part 4A of the Act to carry on a regulated activity which is an investment service or activity;”;

(b) for sub-paragraph (b) substitute—

“(b) a qualifying credit institution that has Part 4A permission to carry on the regulated activity of accepting deposits;”.

(13) In paragraph 9A (operation of a multilateral trading facility or an organised trading facility), for sub-paragraph (2) substitute—

“(2) An exchange operating a multilateral trading facility or an organised trading facility must comply with those requirements of—

(a) any provisions of the law of the United Kingdom relied on by the United Kingdom before exit day to implement Chapter 1 of Title II of the markets in financial instruments directive—

- (i) as they have effect on exit day, in the case of rules made by the FCA under the Act, and
- (ii) as amended from time to time, in all other cases;



- (b) any EU regulation originally made under Chapter 1 of the markets in financial instruments directive which is retained direct EU legislation, or any subordinate legislation (within the meaning of the Interpretation Act 1978) made under those provisions on or after exit day,

which are applicable to a market operator operating such a facility.”.

- (14) In paragraph 9C (specific requirements for multilateral trading facilities: access to a facility)

- (a) for sub-paragraph (a) substitute—

“(a) an investment firm which has permission under Part 4A of the Act to carry on a regulated activity which is an investment service or activity;”;

- (b) for sub-paragraph (b) substitute—

“(b) a qualifying credit institution that has Part 4A permission to carry on the regulated activity of accepting deposits.”;

- (15) In paragraph 9E (SME growth markets), in sub-paragraph (1)—

- (a) omit the words “a multilateral trading facility which has registered that facility as” and “in accordance with Article 33 of the markets in financial instruments directive”;

- (b) after “paragraph” insert “as they have effect on exit day”.

- (16) In paragraph 9F (specific requirements for organised trading facilities: execution of orders)

- (a) in sub-paragraph (3), omit “in Article 4.1.38 of the markets in financial instruments directive”;

- (b) in sub-paragraph (6), for “under Article 27 of the markets in financial instruments Directive” substitute—

“under—

- (a) section 11.2A of the Conduct of Business sourcebook,
- (b) Articles 64 to 66 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing [Directive 2014/65/EU](#) of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive,
- (c) Commission Delegated Regulation (EU) 2017/575 of 8 June 2016 supplementing [Directive 2014/65/EU](#) of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards concerning the data to be published by execution venues on the quality of execution of transactions, and
- (d) Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing [Directive 2014/65/EU](#) of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.”;

- (c) in sub-paragraph (9), after “FCA” insert “as they have effect on exit day”;

- (d) in sub-paragraph (11)—

- (i) in the definition of “close links”, for “Article 4.1.35 of the markets in financial instruments directive” substitute “Article 2(1)(21) of the markets in financial instruments regulation”;

(ii) in the definition of “investment firm”, for “Article 4.1.1 of the markets in financial instruments directive” substitute “Article 2(1A) of the markets in financial instruments regulation”.

(17) In paragraph 9I (provision of data reporting services), for “with Title V of the markets in financial instruments directive” substitute—

“with—

- (a) the Data Reporting Services Regulations 2017<sup>(57)</sup>;
- (b) the requirements of Chapter 9 of the Market Conduct sourcebook;
- (c) Chapter 6 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- (d) Commission Delegated Regulation (EU) 2017/571 of 2 June 2016 supplementing [Directive 2014/65/EU](#) of the European Parliament and of the Council with regard to regulatory technical standards on the authorisation, organisational requirements and the publication of transactions for data reporting services providers;
- (e) Commission Implementing Regulation (EU) 2017/1110 of 22 June 2017 laying down implementing technical standards with regard to the standard forms, templates and procedures for the authorisation of data reporting services providers and related notifications pursuant to [Directive 2014/65/EU](#) of the European Parliament and of the Council on markets in financial instruments.”.

(18) In paragraph 9J (reporting of infringements), in sub-paragraph (1), for “and any directly applicable EU regulation made under that regulation” substitute “, any EU regulation originally made under the CSD regulation which is retained direct EU legislation, or any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation on or after exit day.”.

(19) In paragraph 21A (access to central counterparty, clearing and settlement facilities), omit sub-paragraph (2).

(20) In paragraph 31 (access to central counterparty, clearing and settlement facilities), omit sub-paragraph (2).

(21) In paragraph 31A (reporting of infringements), in sub-paragraph (1), for “and any directly applicable EU regulation made under that regulation” substitute “, any EU regulation originally made under the CSD regulation which is retained direct EU legislation, or any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation on or after exit day.”.

(22) In paragraph 37 (requirements of the CSD regulation), for “and any directly applicable EU regulation made under that regulation” substitute “, any EU regulation originally made under the CSD regulation which is retained direct EU legislation, or any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation on or after exit day”.

(23) In paragraph 38 (access to settlement facilities), omit sub-paragraph (2).

(24) In paragraph 39 (reporting of infringements), in sub-paragraph (1), for “and any directly applicable EU regulation made under that regulation” substitute “, any EU regulation originally made under the CSD regulation which is retained direct EU legislation, or any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation on or after exit day.”.

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<sup>(57)</sup> [S.I. 2017/699](#).

(25) In paragraph 40 (investment services and activities), in sub-paragraph (1), for paragraphs (a) and (b) substitute—

- “(a) provisions of the law of the United Kingdom relied on by the United Kingdom before exit day to implement the markets in financial instruments directive, except for Articles 5 to 8, 9(1), (2) and (4) to (6) and 10 to 13 of that directive—
- (i) as those implementing provisions have effect on exit day, in the case of rules made by the FCA or the Prudential Regulatory Authority under the Act, and
  - (ii) as amended from time to time, in all other cases; and
- (b) the markets in financial instruments regulation, any EU regulation originally made under the markets in financial instruments regulation which is retained direct EU legislation, or any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the markets in financial instruments regulation on or after exit day.”

## PART 5

### Consequential amendments

#### Finance Act 1986

**21.**—(1) The Finance Act 1986(**58**) is amended as follows.

(2) In section 84(3)(a) (miscellaneous exemptions)(**59**), omit “, an EEA CSD” each place it occurs.

(3) In section 85(5)(c) (supplementary)(**60**), omit ““EEA CSD”” and “, (f)”.

#### Finance Act 1991

**22.** In section 116(4)(b)(ii) of the Finance Act 1991(**61**) (investment exchanges, clearing houses and central securities depositories: stamp duty), omit “, an EEA CSD” and “, an EEA central counterparty”.

#### Income Tax (Manufactured Overseas Dividends) Regulations 1993

**23.** In regulation 5B of the Income Tax (Manufactured Overseas Dividends) Regulations 1993(**62**) (chains of payments involving central counterparties), in paragraph (6)—

- (a) in the definition of “central counterparty”, omit “, EEA central counterparty”;
- (b) omit the definition of “EEA central counterparty”.

#### Investment Bank Special Administration Regulations 2011

**24.** In regulation 2 of the Investment Bank Special Administration Regulations 2011(**63**) (interpretation), in paragraph (1)—

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(58) 1986 c. 41.

(59) Section 84(3)(a) was amended by [S.I. 2017/1064](#).

(60) Section 85(5)(c) was inserted by [S.I. 2017/1064](#).

(61) 1991, c.31. Section 116(4)(b) was substituted by [S.I. 2013/504](#) and amended by [S.I. 2017/1064](#).

(62) [S.I. 1993/2004](#). The definition of “central counterparty” in regulation 5B(6) was amended, and the definition of “EEA central counterparty” was inserted, by [S.I. 2013/504](#).

(63) [S.I. 2011/245](#). The definition of “EEA central counterparty” was inserted by [S.I. 2013/504](#); the definition of “EEA CSD” was inserted by [S.I. 2017/1064](#); and the definition of “market infrastructure body” was amended by [S.I. 2013/504](#) and [S.I. 2017/1064](#), there are other amending instruments to this definition but none is relevant.

- (a) omit the definitions of “EEA central counterparty” and “EEA CSD”;
- (b) in the definition of “market infrastructure body”, omit “, EEA central counterparty” and “, EEA CSD”.

#### **Stamp Duty and Stamp Duty Reserve Tax (Eurex Clearing AG) Regulations 2011**

**25.**—(1) The Stamp Duty and Stamp Duty Reserve Tax (Eurex Clearing AG) Regulations 2011(**64**) are amended as follows.

(2) In regulation 2 (interpretation)(**65**)—

- (a) in the definitions of ““EEA central counterparty” and “third country central counterparty””—
  - (i) omit ““EEA central counterparty” and”;
  - (ii) for “have” substitute “has”;
- (b) in the definition of “nominee”, omit “, prescribed EEA central counterparty”.

(3) In regulation 4 (prescribed circumstances for the purposes of sections 116 and 117)(**66**), in paragraph (3), omit sub-paragraph (fa).

#### **Stamp Duty and Stamp Duty Reserve Tax (LCH.Clearnet Limited) Regulations 2011**

**26.**—(1) The Stamp Duty and Stamp Duty Reserve Tax (LCH.Clearnet Limited) Regulations 2011(**67**) are amended as follows.

(2) In regulation 2 (interpretation)(**68**)—

- (a) in the definitions of ““EEA central counterparty” and “third country central counterparty””—
  - (i) omit ““EEA central counterparty” and”;
  - (ii) for “have” substitute “has”;
- (b) in the definition of “nominee”, omit “, prescribed EEA central counterparty”.

(3) In regulation 4 (prescribed circumstances for the purposes of sections 116 and 117)(**69**), in paragraph (3), omit sub-paragraph (fa).

#### **Stamp Duty and Stamp Duty Reserve Tax (SIX X-CLEAR AG) Regulations 2011**

**27.**—(1) The Stamp Duty and Stamp Duty Reserve Tax (SIX X-CLEAR AG) Regulations 2011(**70**) are amended as follows.

(2) In regulation 2 (interpretation)(**71**)—

- (a) in the definitions of ““EEA central counterparty” and “third country central counterparty””—
  - (i) omit ““EEA central counterparty” and”;

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(64) [S.I. 2011/666](#).

(65) The definitions of “EEA central counterparty” and “third country central counterparty” were inserted, and the definition of “nominee” amended, by [S.I. 2013/504](#).

(66) Sub-paragraph (fa) was inserted by [S.I. 2013/504](#).

(67) [S.I. 2011/669](#).

(68) The definitions of “EEA central counterparty” and “third country central counterparty” were inserted by, and the definition of “nominee” amended by, [S.I. 2013/504](#).

(69) Sub-paragraph (fa) was inserted by [S.I. 2013/504](#).

(70) [S.I. 2011/670](#).

(71) The definitions of “EEA central counterparty” and “third country central counterparty” were inserted by, and the definition of “nominee” amended by, [S.I. 2013/504](#).

(ii) for “have” substitute “has”;

(b) in the definition of “nominee”, omit “, prescribed EEA central counterparty”.

(3) In regulation 4 (prescribed circumstances for the purposes of sections 116 and 117)(72), in paragraph (3), omit sub-paragraph (fa).

#### **Stamp Duty and Stamp Duty Reserve Tax (Cassa Di Compensazione E Garanzia S.p.A) Regulations 2011**

**28.**—(1) The Stamp Duty and Stamp Duty Reserve Tax (Cassa Di Compensazione E Garanzia S.p.A.) Regulations 2011(73) are amended as follows.

(2) In regulation 2 (interpretation)(74)—

(a) in the definitions of ““EEA central counterparty and “third country central counterparty””—

(i) omit ““EEA central counterparty” and”;

(ii) for “have” substitute “has”;

(b) in the definition of “nominee”, omit “, prescribed EEA central counterparty”.

(3) In regulation 4 (prescribed circumstances for the purposes of sections 116 and 117)(75), in paragraph (3), omit sub-paragraph (fa).

#### **Stamp Duty and Stamp Duty Reserve Tax (European Central Counterparty N.V.) Regulations 2014**

**29.**—(1) The Stamp Duty and Stamp Duty Reserve Tax (European Central Counterparty N.V.) Regulations 2014(76) are amended as follows.

(2) In regulation 2 (interpretation)—

(a) in the definitions of ““EEA central counterparty” and “third country central counterparty””—

(i) omit ““EEA central counterparty” and”;

(ii) for “have” substitute “has”;

(b) in the definition of “nominee”, omit “, prescribed EEA central counterparty”.

(3) In regulation 4 (prescribed circumstances for the purposes of section 116 and 117), in paragraph (6), omit sub-paragraph (g).

*Paul Maynard*

*Rebecca Harris*

Two of the Lords Commissioners of Her Majesty’s Treasury

25th March 2019

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(72) Sub-paragraph (fa) was inserted by S.I. 2013/504.

(73) S.I. 2011/2205.

(74) The definitions of “EEA central counterparty” and “third country central counterparty” were inserted by, and the definition of “nominee” amended by, S.I. 2013/504.

(75) Sub-paragraph (fa) was inserted by S.I. 2013/504.

(76) S.I. 2014/9.

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## EXPLANATORY NOTE

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

These Regulations are made in exercise of the powers in section 8 of the European Union (Withdrawal) Act 2018 (c.16) in order to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union (and in particular, the deficiencies under paragraphs (b), (c) and (g) of section 8(2)). Part 3 of the Regulations amends Parts 18 and 18A of, and Schedule 17A to, the Financial Services and Markets Act 2000 (c. 8) (“the Act”). Part 4 amends the Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges, Clearing Houses and Central Securities Depositories) Regulations 2001 (“the principal Regulations”), and Part 5 makes amendments consequential on amendments to Part 18 of the Act.

Part 2 of the Regulations amends Part 18 of the Act and the principal Regulations in exercise of powers under the European Communities Act 1972 (c. 68) and the Act.

These Regulations refer to sourcebooks made by the Financial Conduct Authority and rules made by the Prudential Regulatory Authority under the Act. Sourcebooks made by the Financial Conduct Authority are available on <https://www.handbook.fca.org.uk/handbook> and copies of the rules referred to can be obtained from the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, where they are also available for inspection. The Rulebook made by the Prudential Regulation Authority under the Financial Services and Markets Act 2000 is available on <http://www.prarulebook.co.uk> and copies of the rules can be obtained from the Prudential Regulation Authority, 20 Moorgate, London EC2R 6DA, where it is also available for inspection.

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