



Brexit: the FCA confirms final rules for firms

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The Financial Conduct Authority (FCA) has today published its final instruments and guidance that will apply in the event the UK leaves the EU without a deal or an implementation period.

As the UK prepares to leave the EU, the FCA has been working to deliver a transition that is as smooth as possible. The package of documents published contains the majority of the final instruments and guidance, following the February publication of the FCA's Policy Statement with near-final instruments.

Most of the instruments we have published today have been made under powers given to the FCA under the EU (Withdrawal) Act. They have been approved by the Treasury, so the FCA can now make them final.

The final instruments are largely unchanged from the near-final versions, which were published in February. The most significant change is that the instruments now commence on 'exit day', rather than 11pm on 29 March. This change reflects the decision made at the European Council on 21 March, as well as the changes made by the European Union (Withdrawal) Act 2018 (Exit Day) (Amendment) Regulations 2019.

The FCA has also published the majority of its final transitional directions and guidance for using the transitional power. The FCA has identified three additional areas where it has made amendments to the near-final directions published in February.

These changes relate to:

- UK managers of EEA UCITS funds
- the application of the Client Assets sourcebook (CASS) to activities carried on from an EEA branch, and
- the distance marketing provisions.

Nausicaa Delfas, Executive Director of International at the Financial Conduct Authority said:

"The documents published today are the final stages in our preparations in the event that the UK leaves the EU without an implementation period: they ensure that firms have certainty of the financial regime they will be operating within, and so can plan accordingly to meet the needs of their customers."

The FCA will publish information about technical standards under EU legislation on capital requirements, banking resolution and financial conglomerates later once the PRA have published similar information.

The FCA has also confirmed it has extended the notification window for firms who wish to enter the TPR until the end of 11 April 2019.

Further information on how regulated firms could be affected by Brexit has been published on the FCA website. This includes information specific to the banking sector, UK-based pensions and retirement income firms, general insurance firms, retail firms, wholesale banks, markets and asset managers operating in the UK.

Notes to editors

1. Policy Statement: [PS19/5: Brexit Policy Statement](#) and [press release](#)

2. [The Financial Services and Markets Act 2000 \(Amendment\) \(EU Exit\) Regulations 2019](#) give the FCA (and the Bank of England and the Prudential Regulation Authority) the power to temporarily waive or modify obligations on UK-supervised persons where those obligations have changed as a result of the EU (Withdrawal) Act 2018. In order to give effect to this power, regulators must issue directions.
3. These directions give regulated persons time (in most cases 15 months from exit day) to adapt to changes to UK financial services regulation resulting from Brexit. Continuity is generally achieved by applying a 'standstill', so firms may continue to comply with the pre-exit version of an obligation.
4. We set out our approach to using this power on [1 February](#), and published directions in draft form on 28 February 2019.
5. On 6 November 2018, the UK Parliament [approved legislation](#) setting out the temporary permissions regime for passporting firms under Schedules 3 and treaty firms under schedule 4 to FSMA. Parliament has also [approved](#) legislation providing similar schemes for institutions passporting under the Electronic Money Directive or Payment Services Directive 2. Under the legislation relevant firms which notify before UK withdrawal of their wish to continue to do business in the UK, will be deemed to have temporary UK authorisation. A similar regime will apply to the UK recognition of investment funds.
6. Firms can find out if they use a passport by checking the [Financial Services Register](#).
7. We intend to preserve the existing regulatory treatment within our Handbook in relation to Gibraltar and Gibraltar-based firms. This is in line with our [statement](#) published on 20 December 2018.
8. The FCA has set out its approach to transition regimes, alongside the temporary permissions regime:
 - [Temporary permissions regime](#)
 - [Registering as a credit rating agency](#)
 - [Registering as a trade repository](#)
 - [Temporary authorisation regime for data reporting services providers \(DRSPs\)](#)
9. On 1 April 2013, the FCA became responsible for the conduct supervision of all regulated financial firms and the prudential supervision of those not supervised by the Prudential Regulation Authority (PRA).
10. The FCA has an overarching strategic objective of ensuring the relevant markets function well. To support this it has 3 operational objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the UK financial system; and to promote effective competition in the interests of consumers.
11. Find out more information [about the FCA](#).

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