
EXPLANATORY NOTE

(This note is not part of the Regulations)

Save for Part 2, these Regulations are made in exercise of the powers in section 8(1) 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), (e), (f) and (g) of section 8(2) of that Act). They amend the Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), the Capital Requirements Regulation 2013 (S.I. 2013/3115), the Capital Requirements (Country-by-Country Reporting) Regulations 2013 (S.I. 2013/3118), and the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014 (S.I. 2014/894). They also amend Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, Commission Delegated Regulation (EU) 2015/61 supplementing Regulation (EU) No 575/2013 of the European Parliament and Council with regard to liquidity coverage requirement for Credit Institutions; and Commission Delegated Regulation (EU) 1222/2014 supplementing Directive 2013/36/EU of the European Parliament and the Council with regard to regulatory technical standards for the specification of the methodology for the identification of global systemically important institutions and for the definition of subcategories of global systemically important institutions.

Part 2 of these Regulations is made in exercise of the powers in section 2(2) of the European Communities Act 1972 (c.68) in order to make minor amendments to the secondary legislation referenced above. These amendments ensure that references to EU instruments in those instruments are up to date at exit day, in accordance with the United Kingdom's EU's obligations prior to exit day.

These Regulations refer to the Rulebook made by the Prudential Regulation Authority under the Financial Services and Markets Act 2000 (c.8), and sourcebooks made by the Financial Conduct Authority under that Act. The Rulebook is available on <http://www.prarulebook.co.uk> and copies of the rules referred to can be obtained from the Prudential Regulation Authority, 20 Moorgate, London EC2R 6DA, where it is also available for inspection. 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 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 is available from HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and is published alongside this instrument at www.legislation.gov.uk.