

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 (d) and (g) of section 8(2)), as well as the powers in paragraph 1 of Schedule 4 to that Act and in paragraph 21(b).

Part 2 of these Regulations amends Article 257(1) and (2) of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance.

Part 3 of these Regulations makes amendments related to electronic commerce in the financial services field. It amends sections 417 and 418 of Financial Services and Markets Act 2000 (c.8) to remove various EU references which are no longer needed. It also revokes article 72A (information society services) of the Financial Services and Markets Act (Regulated Activities) Order 2001 (S.I. 2001/544) (“the RAO”) and amends the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775). This Part also makes various consequential amendments to other subordinate legislation.

Part 4 of these Regulations makes transitional provisions in connection with the revocation of article 72A of the RAO. It provides a regime by which a person providing information society services to which that article applied immediately before the commencement date to persons in the United Kingdom from an establishment in an EEA State can continue to provide such services while those services are run down.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.