

Changes to legislation: There are currently no known outstanding effects for the
Financial Services and Markets Act 2023, PART 3. (See end of Document for details)

SCHEDULES

SCHEDULE 2

TRANSITIONAL AMENDMENTS

PART 3

AMENDMENTS TO THE EU SECURITISATION REGULATION

Introductory

- 31 [Regulation \(EU\) 2017/2402](#) of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending [Directives 2009/65/EC](#), [2009/138/EC](#) and [2011/61/EU](#) and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (“the EU Securitisation Regulation 2017”) is amended in accordance with this Part of this Schedule.

Commencement Information

- I1** Sch. 2 para. 31 not in force at Royal Assent, see [s. 86\(3\)](#)
I2 [Sch. 2 para. 31](#) in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)

STS equivalent non-UK securitisations

- 32 (1) Article 2 (definitions) is amended as follows.
- (2) Omit point (A8) (definition of “third country”).
- (3) Before point (1) insert—
- “(A9) ‘STS equivalent non-UK securitisation’ means a securitisation of a description in relation to which a country or territory outside the United Kingdom is designated by regulations under Article 28A;
- (A10) ‘territory’ includes the European Union and any other international organisation or authority comprising countries or territories;”.
- (4) In point (5) (definition of “sponsor”), for “third country” substitute “country or territory outside the United Kingdom”.

Commencement Information

- I3** Sch. 2 para. 32 not in force at Royal Assent, see [s. 86\(3\)](#)
I4 [Sch. 2 para. 32](#) in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)

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33 After Article 28 (third party verifying STS compliance) insert—

“CHAPTER 4A

STS EQUIVALENT NON-UK SECURITISATIONS

Designation of country or territory in relation to securitisations

1. The Treasury may by regulations designate a country or territory in relation to securitisations of descriptions specified in the regulations.
2. The power in paragraph 1 is exercisable only if the Treasury are satisfied that the law and practice which applies in the country or territory, in relation to securitisations of the descriptions specified, has equivalent effect (taken as a whole) to applicable UK law.
3. “Applicable UK law” means:
 - (a) this Regulation, as it applies to STS securitisations, and
 - (b) the Securitisation Regulations 2018 (S.I. 2018/2188), as those regulations apply to STS securitisations.
4. In making regulations under paragraph 1, the Treasury must have regard, in addition to any other matters they consider relevant, to whether the FCA (and, where relevant, the PRA) have established effective cooperation arrangements with the competent authorities of the country or territory.
5. When considering whether to make, vary or revoke regulations under paragraph 1, the Treasury may, by making a request in writing to the FCA, require the FCA to prepare a report on the law and practice of a country or territory outside the United Kingdom, or particular aspects of such law and practice, in relation to securitisations of descriptions specified in the request.
6. If the Treasury request a report under paragraph 5, the FCA must:
 - (a) consult the PRA when preparing the report, and
 - (b) provide the Treasury with the report within such reasonable period as may be specified in the request (or such other period as may be agreed with the Treasury).
7. Regulations under paragraph 1 may—
 - (a) specify matters that a person carrying out a due-diligence assessment required by Article 5(3) must consider with regard to an STS equivalent non-UK securitisation;
 - (b) in relation to a matter specified, specify the extent to which the person may rely on the matter.
8. Regulations under this Article are to be made by statutory instrument.
9. Such regulations may—
 - (a) contain incidental, supplemental, consequential and transitional provision; and
 - (b) make different provision for different purposes.
- >10.. Regulations under this Article are subject to annulment in pursuance of a resolution of either House of Parliament.”

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- I5 Sch. 2 para. 33 not in force at Royal Assent, see [s. 86\(3\)](#)
- I6 [Sch. 2 para. 33](#) in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)

Commencement Information

- I3 Sch. 2 para. 32 not in force at Royal Assent, see [s. 86\(3\)](#)
- I4 [Sch. 2 para. 32](#) in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)
- I5 Sch. 2 para. 33 not in force at Royal Assent, see [s. 86\(3\)](#)
- I6 [Sch. 2 para. 33](#) in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)

Minor and consequential amendments

- 34 The EU Securitisation Regulation 2017 is amended in accordance with paragraphs 35 to 37.

Commencement Information

- I7 Sch. 2 para. 34 not in force at Royal Assent, see [s. 86\(3\)](#)
- I8 [Sch. 2 para. 34](#) in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)

- 35 In Article 4 (requirements for securitisation special purpose entities)—
- (a) in the words before point (a), for “third country” substitute “country or territory outside the United Kingdom”;
 - (b) in point (a), for “third country” substitute “country or territory”;
 - (c) in point (b), for “third country”, in both places, substitute “country or territory”.

Commencement Information

- I9 Sch. 2 para. 35 not in force at Royal Assent, see [s. 86\(3\)](#)
- I10 [Sch. 2 para. 35](#) in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)

- 36 (1) Article 5 (due-diligence requirements for institutional investors) is amended as follows.
- (2) In paragraph 1, for “third country”, in each place, substitute “country or territory outside the United Kingdom”.
- (3) In paragraph 3, after point (d) insert—
- “(da) with regard to an STS equivalent non-UK securitisation, such matters as may be specified in regulations under Article 28A (and may rely on such matters to such extent as may be specified).”

Commencement Information

- I11 Sch. 2 para. 36 not in force at Royal Assent, see [s. 86\(3\)](#)
- I12 [Sch. 2 para. 36](#) in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)

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- 37 (1) Article 46 (Treasury review) is amended as follows.
- (2) In paragraph 1, omit the second subparagraph.
- (3) In paragraph 2—
- (a) in point (a), omit “in the Union”;
 - (b) omit point (e).

Commencement Information

- I13** Sch. 2 para. 37 not in force at Royal Assent, see [s. 86\(3\)](#)
- I14** Sch. 2 para. 37 in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)

- 38 In [Regulation \(EU\) No 575/2013](#) of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending [Regulation \(EU\) No 648/2012](#), in Article 242 (definitions), in point (10) (meaning of “simple, transparent and standardised securitisation” or “STS securitisation”)—
- (a) the words from “a securitisation” to the end become paragraph (a);
 - (b) at the end of that paragraph, insert “; or
 - (b) an STS equivalent non-UK securitisation as defined in point (A9) of Article 2 of [Regulation \(EU\) 2017/2402](#).”.

Commencement Information

- I15** Sch. 2 para. 38 not in force at Royal Assent, see [s. 86\(3\)](#)
- I16** Sch. 2 para. 38 in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)

- 39 In [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 (Solvency II), in Article 1 (definitions), in point 18b (meaning of “STS securitisation”)—
- (a) the words from “a securitisation” to the end become paragraph (a);
 - (b) at the end of that paragraph, insert “; or
 - (b) an STS equivalent non-UK securitisation within the meaning of Article 2(A9) of [Regulation \(EU\) 2017/2402](#).”.

Commencement Information

- I17** Sch. 2 para. 39 not in force at Royal Assent, see [s. 86\(3\)](#)
- I18** Sch. 2 para. 39 in force at 29.8.2023 by [S.I. 2023/779](#), [reg. 4\(zz\)\(iii\)](#)

- 40 In Article 11(1) of [Regulation \(EU\) 2017/1131](#) of the European Parliament and of the Council of 14 June 2017 on money market funds (eligible securitisations and ABCPs), after paragraph (c) insert—
- “(d) an STS equivalent non-UK securitisation as defined in point (A9) of Article 2 of [Regulation \(EU\) 2017/2402](#).”

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- I19** Sch. 2 para. 40 not in force at Royal Assent, see **s. 86(3)**
I20 Sch. 2 para. 40 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**

- 41 The Securitisation Regulations 2018 (S.I. 2018/1288) are amended in accordance with paragraphs 42 and 43.

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- I21** Sch. 2 para. 41 not in force at Royal Assent, see **s. 86(3)**
I22 Sch. 2 para. 41 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**

- 42 In regulation 2 (interpretation), in the definition of “SRUP”, in paragraph (c), for “third country” substitute “country or territory outside the United Kingdom”.

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- I23** Sch. 2 para. 42 not in force at Royal Assent, see **s. 86(3)**
I24 Sch. 2 para. 42 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**

- 43 In regulation 4 (designation of competent authorities), in paragraph (1)(b), for “third country” substitute “country or territory outside the United Kingdom”.

Commencement Information

- I25** Sch. 2 para. 43 not in force at Royal Assent, see **s. 86(3)**
I26 Sch. 2 para. 43 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**

Commencement Information

- I7** Sch. 2 para. 34 not in force at Royal Assent, see **s. 86(3)**
I8 Sch. 2 para. 34 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**
I9 Sch. 2 para. 35 not in force at Royal Assent, see **s. 86(3)**
I10 Sch. 2 para. 35 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**
I11 Sch. 2 para. 36 not in force at Royal Assent, see **s. 86(3)**
I12 Sch. 2 para. 36 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**
I13 Sch. 2 para. 37 not in force at Royal Assent, see **s. 86(3)**
I14 Sch. 2 para. 37 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**
I15 Sch. 2 para. 38 not in force at Royal Assent, see **s. 86(3)**
I16 Sch. 2 para. 38 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**
I17 Sch. 2 para. 39 not in force at Royal Assent, see **s. 86(3)**
I18 Sch. 2 para. 39 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**
I19 Sch. 2 para. 40 not in force at Royal Assent, see **s. 86(3)**
I20 Sch. 2 para. 40 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**
I21 Sch. 2 para. 41 not in force at Royal Assent, see **s. 86(3)**
I22 Sch. 2 para. 41 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**
I23 Sch. 2 para. 42 not in force at Royal Assent, see **s. 86(3)**
I24 Sch. 2 para. 42 in force at 29.8.2023 by S.I. 2023/779, **reg. 4(zz)(iii)**
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I26 Sch. 2 para. 43 in force at 29.8.2023 by S.I. 2023/779, reg. 4(zz)(iii)

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