
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision about the exercise of “passport” rights in accordance with Schedule 3 to the Financial Services and Markets Act 2000 (“the Act”). Those are rights under the EC single market directives relating to financial services for an undertaking authorised in one EEA State to establish a branch or provide services in another EEA State.

Part I makes provision for citation, commencement and interpretation.

Part II prescribes the information which must be provided in connection with the establishment of a branch, or the provision of services, by an EEA firm in the UK in exercise of its passport rights. It also makes provision about the procedure to be followed, and the information to be provided, in the event of changes affecting an EEA firm’s activities in the UK. It provides for the cancellation of EEA firms’ qualification for authorisation under the Act in certain circumstances.

Part III makes provision about the procedure to be followed, and the information to be provided, when there are changes affecting a UK firm which has exercised its passport rights to establish a branch, or provide services, in another EEA State. Part III also makes provision about the scope of a UK firm’s outward passport in relation to activities which are not regulated activities under the Act: regulation 19 provides that, for the purposes of its passport rights, a UK firm is treated as being authorised to carry on such activities provided UK law does not prevent it from carrying them on in the EEA State in question.

Part IV makes transitional provision relating to cases where the procedures applying to changes in activities carried on pursuant to passport rights had been partly completed at commencement.