
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend EU Exit regulations to provide further transitional provision in respect of the performance of contracts entered into before exit day. The paragraphs of section 8(2) of the European Union (Withdrawal) Act 2018 (c. 16) which are relevant to each Part of these Regulations are those which are relevant to the Regulations amended (as cited in each).

Part 1 of these Regulations makes general provision as to citation and commencement.

Part 2 of these Regulations amends the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149) (“the 2018 Regulations”):

— in Chapter 1:

- new Part 6 of the 2018 Regulations provides a regime by which a person to whom:
 - (a) regulation 8 or 11 of those Regulations does not apply on exit day, and who carries on a regulated activity through a branch in the United Kingdom, or
 - (b) regulation 8 or 11 of those Regulations ceases to apply,may continue to perform a regulated activity in the United Kingdom while contracts relating to those activities are run down;
- new Part 7 of the 2018 Regulations provides a regime by which a person to whom regulation 8 or 11 of those Regulations does not apply on exit day, and who does not carry on a regulated activity through a branch in the United Kingdom, may continue to perform a regulated activity in the United Kingdom while those activities are run down;

— Chapter 2 provides miscellaneous transitional provision in respect of other areas of financial services legislation which have a bearing on the provision made by Chapter 1;

— Chapter 3 provides a power for the Treasury to amend certain time limits set by the provision made by Chapter 1.

Part 3 of these Regulations amends the Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184) to provide for a run-off regime for central counterparties that do not enter the temporary recognition regime or who cease to be part of that regime where they have not gained permanent recognition.

Part 4 of these Regulations amends the Electronic Money, Payment Services and Payment Systems (Amendment and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1201) to provide for a run-off regime for EEA authorised electronic money institutions, EEA authorised payment institutions, and EEA registered account information service providers that cease to be part of the temporary authorisation regime where they have not gained permanent authorisation.

Part 5 of these Regulations amends the Trade Repositories (Amendment and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1318) to provide for a run-off regime for trade repositories that cease to be part of the temporary registration regime where they have not gained permanent registration.

An impact assessment of the effect that this instrument, and certain other instruments made by HM Treasury under the European Union (Withdrawal) Act 2018, 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.