

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Uncertificated Securities Regulations (S.I. 2001/3755) (“the USR”) to revoke certain provisions which overlap with requirements now the subject of the Central Securities Depositories Regulations 2017 (S.I. 2017/1064) (“the 2017 Regulations”).

Part 2 amends primary legislation. This reflects the change from Central Securities Depositories being approved operators under the USR to being authorised or recognised under the 2017 Regulations and Part 18 of the Financial Services and Markets Act 2000 (c.8).

Part 3 amends the USR and other subordinate legislation. It expands the concept of “operator” for the purposes of the USR, ensuring that the term covers authorised Central Securities Depositories that are established in the UK or the EEA, or recognised Central Securities Depositories that are established in third countries.

These Regulations also amend Schedule 1 to the USR, which sets out requirements for approval of a person as an Operator. This is to remove requirements which are now provided for in the 2017 Regulations.

Part 5 is made in exercise of the powers in section 8(1) of and Schedule 4 to the European Union (Withdrawal) Act 2018 (c.16). It addresses failures of retained EU law to operate effectively arising from the withdrawal of the United Kingdom from the European Union. It also enables the Bank of England to charge fees to third country Central Securities Depositories in connection with certain of its functions in relation to them after withdrawal.

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.

**Changes to legislation:**

There are currently no known outstanding effects for the The Uncertificated Securities (Amendment and EU Exit) Regulations 2019.