

**EXITING THE EUROPEAN UNION: HANDBOOK (AMENDMENTS)
INSTRUMENT 2020**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of:
- (1) regulation 3 of the Financial Regulators’ Powers (Technical Standards) (Amendment etc.) (EU Exit) Regulations 2018;
 - (2) the following provisions of the Financial Services and Markets Act 2000 (“the Act”) including as applied by paragraph 3 of Schedule 6 to the Payment Services Regulations 2017 (SI 2017/752) (“the PSRs”) and paragraph 2A of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99) (“the EMRs”):
 - (a) section 137A (the FCA’s general rules);
 - (b) section 137C (FCA general rules: cost of credit and duration of credit agreements);
 - (c) section 137R (Financial promotion rules);
 - (d) section 137T (General supplementary powers);
 - (e) section 139A (Power of the FCA to give guidance);
 - (f) section 247 (Trust scheme rules);
 - (g) section 248 (Scheme particulars rules);
 - (h) section 261I (Contractual scheme rules); and
 - (i) section 261J (Contractual scheme particulars rules);
 - (3) regulation 120 (Guidance) of the PSRs;
 - (4) regulation 60 (Guidance) of the EMRs;
 - (5) regulation 6 (FCA rules) of the Open-Ended Investment Companies Regulations 2001;
 - (6) the relevant powers and related provisions used to make the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19);
 - (7) the relevant powers and related provisions referred to in schedule 4 to the General Provisions of the FCA Handbook; and
 - (8) the powers of direction, guidance and related provisions in or under the following provisions of the Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/542):
 - (a) regulation 30 (Statement of policy);
 - (b) regulation 32 (Powers to issue guidance);
 - (c) regulation 36 (Application of Part 11 of the Act (information gathering and investigations)); and

(d) regulation 37 (Application of Part 26 of the Act (notices)).

B. The rule-making provisions referred to above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force on IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020, immediately after:

(1) the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19);

(2) the Exiting the European Union: High Level Standards (Amendments) Instrument 2019 (FCA 2019/20);

(3) the Exiting the European Union: Business Standards Sourcebooks (Amendments) Instrument 2019 (FCA 2019/23);

(4) the Exiting the European Union: Specialists Sourcebooks (Amendments) Instrument 2019 (FCA 2019/25);

(5) : the Exiting the European Union: Listings, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019 (FCA 2019/26); and

(6) the Exiting the European Union: Regulatory Guides (Amendments) Instrument 2019 (FCA 2019/27),

save for paragraph I which comes into force on 1 October 2020.

[**Note:** IP completion day is 11pm on 31 December 2020.]

Amendments to the Handbook

D. The modules of the FCA's Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes in this instrument listed in column (2) below.

(1)	(2)
Glossary	Annex A
Principles for Businesses (PRIN)	Annex B
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex C
General Provisions (GEN)	Annex D
Conduct of Business sourcebook (COBS)	Annex E
Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex F
Banking: Conduct of Business sourcebook (BCOBS)	Annex G

Product Intervention and Product Governance sourcebook (PROD)	Annex H
Supervision manual (SUP)	Annex I
Decision Procedure and Penalties manual (DEPP)	Annex J
Collective Investment Schemes sourcebook (COLL)	Annex K
Regulated Covered Bonds sourcebook (RCB)	Annex L
Listing Rules sourcebook (LR)	Annex M
Prospectus Regulation Rules sourcebook (PRR)	Annex N
Disclosure Guidance and Transparency Rules sourcebook (DTR)	Annex O

- E. The Financial Conduct Authority confirms and remakes in the Glossary of definitions the defined expressions relating to any UK legislation which has been amended further to section 8 of the European Union (Withdrawal) Act 2018.

Amendments to material outside the Handbook

- F. The Enforcement Guide (EG) is amended in accordance with Annex P to this instrument.
- G. The Perimeter Guidance manual (PERG) is amended in accordance with Annex Q to this instrument.

Notes

- H. In this instrument, notes shown as “*editor’s note*” and “**Note:**” are intended for the convenience of the reader but do not form part of the legislative text.

Revocation

- I. Annex B of the Exiting the European Union: Listing, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019 (FCA 2019/26) is revoked.

[**Note:** Annex B of the Exiting the European Union: Listing, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019 (FCA 2019/26) made amendments to the Prospectus Rules sourcebook which was deleted in its entirety by the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80).]

Citation

- J. This instrument may be cited as the Exiting the European Union: Handbook (Amendments) Instrument 2020.

By order of the Board
30 September 2020

Annex A

Amendments to the Glossary

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

The definition of “exit day” in the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19) is deleted and replaced with the definition below.

[*Editor’s note:* This text amends the definition of exit day in the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19) to update it in accordance with the European Union (Withdrawal) Act 2018.]

<i>EU Prospectus Regulation</i>	the EU version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<i>SFTR (EU Exit) Regulations</i>	the Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/542)
<i>TD Equivalence Decision</i>	the <i>UK</i> version of Commission Decision (EC) No 2008/961 of 12 December 2008 on the use by third countries’ issuers of securities of certain third country’s national accounting standards and International Financial Reporting Standards to prepare their consolidated financial statements, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .

Amend the following definitions as shown. Underlining indicates new text and striking through indicates deleted text.

<i>appointed representative Directory person</i>	(3) ...
	(4) A person does not fall within paragraph (2)(a)(i) if they are an EEA registered tied agent. [deleted]
<i>EEA PTV firm</i>	either of the following <u>(subject to SYSC 23 Annex 1 1.4R and SUP 10A.1.34R (Gibraltar-based firm))</u> : ...
<i>EEA SMCR firm</i>	(a) ... (b) any other <i>SMCR firm</i> that is a TP firm <u>an EEA PTV firm</u> ; <u>(subject to SYSC 23 Annex 1 1.4R (Gibraltar-based firm))</u> .

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<i>ESMA guidelines on risk factors</i>	guidelines drafted pursuant to article 16(4) of the <u>EU Prospectus Regulation</u> on the specificity, materiality and presentation of risks factors across categories depending on their nature.
<i>ESMA PR Prospectus Questions and Answers</i>	the Questions and Answers on the <u>EU Prospectus Regulation</u> published by <i>ESMA</i> (ESMA/2019/ESMA31-62-1258).
<i>firm</i>	... (11) (in <i>PRIN 2</i>) includes an <i>electronic money institution</i> , an EEA electronic money institution , a <i>payment institution</i> ; <u>and</u> a <i>registered account information service provider</i> and an EEA registered account information service provider .
<i>Home State regulator</i>	... (7) in relation to an EEA authorised payment institution or an EEA registered account information service provider , the competent authority designated in accordance with article 22 of the <i>Payment Services Directive</i> as being responsible for the authorisation or registration and prudential supervision of that EEA authorised payment institution or EEA registered account information service provider . <u>[deleted]</u> (8) in relation to an EEA authorised electronic money institution , the competent authority designated in accordance with article 3 of the <i>Electronic Money Directive</i> as being responsible for the authorisation and prudential supervision of that EEA authorised electronic money institution . <u>[deleted]</u>
<i>IDD insurance undertaking</i>	an undertaking as defined in article 13(1) of the <i>Solvency II Directive</i> <u>which, prior to IP completion day, would have required authorisation under that Directive</u>
<i>IDD reinsurance undertaking</i>	an undertaking as defined in article 13(4) of the <i>Solvency II Directive</i> <u>which, prior to IP completion day, would have required authorisation under that Directive</u>
<i>insurance special purpose vehicle</i>	an <i>undertaking</i> whether incorporated or not, which has received authorisation in accordance with the <i>UK</i> provisions which implemented article 211(1) or (3) of the <i>Solvency II Directive</i> and: (a) which assumes risks from an insurer or a regulated insurance entity <u>insurance undertaking</u> or a <i>reinsurance undertaking</i> ; and

	...
<i>MiFID authorisation and management body change notification ITS</i>	the <u>UK version of Commission Implementing Regulation 2017/1945 of 19 June 2017</u> laying down implementing technical standards with regard to notifications by and to applicant and authorised investment firms, <u>which is part of UK law by virtue of the EUWA.</u>
<i>new sub-fund</i>	a <i>sub-fund</i> within the meaning of regulation 61(3)(a) of the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations {2019} .
<i>PR Regulation</i>	<u>the UK version of Regulation number 2019/980 of the European Commission, which is part of UK law by virtue of the EUWA.</u>
<i>recognised scheme</i>	(1) (other than in <i>LR</i>) a scheme recognised under that is: <p>...</p> <p>(c) <u>recognised under section 272 of the Act</u> (Individually recognised schemes); or</p> <p>(d) (in <i>COBS 14</i> and for the purposes of the definitions of <i>non-mainstream pooled investment</i> and <i>packaged product</i>) an <i>EEA UCITS scheme</i> recognised under Part 6 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018 <u>2019</u>.</p> <p>(2) ...</p>
<i>regulatory system</i>	(1) ... <p>(2) in <i>PRIN</i> and in <i>BCOBS</i> in addition to (1), the arrangements for regulating <i>payment service providers</i> and <i>electronic money issuers</i> in or under the <i>Payment Services Regulations</i> and <i>Electronic Money Regulations</i>, including conditions of authorisation or registration set out in those regulations, the <i>Principles</i> and other <i>rules</i>, codes and guidance, including any relevant directly applicable provisions of a Directive or Regulation <u>an onshored regulation.</u></p>
<i>securities financing transaction</i>	(1) ... <p>(1A) (in <i>COLL</i>, <i>DEPP</i>, <i>EG</i>, <i>FEES</i> and <i>FUND</i>) a transaction defined in article 3(11) of the <i>Securities Financing Transactions Regulation</i> as follows: <p>...</p> </p>
<i>SRD asset manager</i>	(1) an <i>investment firm</i> that provides <i>portfolio management</i> services to investors;

- (2) an *AIFM* that is not a *small AIFM*; or
- (3) the *operator* of a UK UCITS.

[Note: article 1(2)(f) of *SRD*]

SRD institutional investor

- (1) (a) an undertaking carrying out activities:
 - (i) of life assurance within the meaning of points (a), (b) and (c) of article 2(3) of Directive 2009/138/EC of the European Parliament and of the Council, ~~and~~ or
 - (ii) of reinsurance as defined in point (7) of article 13 of that Directive, provided that those activities cover life-insurance obligations; and

which is would not be excluded pursuant to that Directive;

 - (b) References to Directive 2009/138/EC in (a)(i) and (ii) are to that Directive as implemented immediately before IP completion day in the law of the United Kingdom or any part of the United Kingdom; or
- (2) an institution for occupational retirement provision falling within the scope of the law of the United Kingdom or any part of the United Kingdom which was relied on immediately before IP completion day to implement Directive (EU) 2016/2341 of the European Parliament and of the Council, in accordance with article 2 thereof, unless a Member State has chosen not to apply that Directive in whole or in parts to that institution in accordance with article 5 of that Directive.

TP UCITS qualifier

a *firm* (other than a *firm* which manages a *scheme* under a *temporary permission*) which:

- (1) ~~(a)~~ for the time being is an *operator*, *trustee* or *depository* of a *scheme* or *sub-fund* which is temporarily recognised under Part 6 of the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations ~~2018~~ 2019; and
- ~~(b)~~ ...
- (2)

TPR fund

(in *FEES*) any of the following:

- (1) an *EEA UCITS scheme* recognised under Part 6 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations ~~2018~~ 2019; or

- (2) an *EEA AIF*, *EuVECA*, *EuSEF*, or *EEA ELTIF* which may be marketed in the *UK* under Part 9A of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations ~~2018~~ 2019.

trade repository a legal person that centrally collects and maintains the records of derivatives or securities financing transactions.

The Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) (PS19/12 ‘Changes to align the FCA Handbook with the EU Prospectus Regulations: feedback to CP19/6’) made amendments to the glossary definitions below. The text below takes account of the changes made by both these instruments. Further onshoring changes, to the consolidated text of the two instruments, are not indicated by underlining or strikethrough.

Replace the following definitions, and or parts of definitions, with the text below. The text in this section is not underlined.

PD Regulation the Prospectus Directive Regulation (No 2004/809/EC).

prospectus (1) (in *LR* and *PRR*, *FEES* and *FUND 3* (Requirements for managers of alternative investment funds)) a *prospectus* required under the *Prospectus Regulation*.

(2) ...

Prospectus RTS Regulation the *UK* version of Commission Delegated Regulation (EU) No 2019/979, which is part of *UK* law by virtue of the *EUWA*.

public international body (in *LR* and *DTR*) the African Development Bank, the Asian Development Bank, the Caribbean Development Bank, the Council of Europe Development Bank, the European Atomic Energy Community, the European Bank for Reconstruction and Development, the European Company for the Financing of Railroad Stock, the *EU*, the European Investment Bank, the Inter-American Development Bank, the International Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund and the Nordic Investment Bank.

small and medium-sized enterprise or SME (1) ...

(2) [deleted]

(3) (in *IFPRU*) has the meaning in article 4(1)(128D) of the *UK CRR*.

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*third party
prospectus*

a communication made by a *firm* if the communication is a prospectus that:

- (a) has been approved by the *FCA* in accordance with Part 6 of the *Act* and the *firm* is not responsible under the *Prospectus Rules* for the information given in the prospectus; or
- (b) is to be treated under regulation 74 of the of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019 as if it had been approved by the *FCA* and the firm is not responsible under the *EU Prospectus Regulation* for the information given in the prospectus.

[Note: recital 73 to the *MiFID Org Regulation*]

The Exiting the European Union: Glossary (Amendments) Instrument 2019 made amendments to the following definition, coming into force at IP completion day. After that instrument was made, the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) (PS19/12 ‘Changes to align the FCA Handbook with the EU Prospectus Regulations: feedback to CP19/6’) deleted this definition. The amendments made by the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19) to the following definition are revoked and the definition itself remains is deleted:

qualified investor

The Exiting the European Union: Glossary (Amendments) Instrument 2019 deleted the following definitions, coming into force at IP completion day. After that instrument was made, the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) (PS19/12 ‘Changes to align the FCA Handbook with the EU Prospectus Regulations: feedback to CP19/6’) amended these definitions. The following definitions, as amended, remain deleted as intended by the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19):

Home State

Host State

The Exiting the European Union: Glossary (Amendments) Instrument 2019 added the following definitions, coming into force at IP completion day. In light of amendments since made by the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) these definitions are now redundant and so are deleted as made by the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19). The text is not shown struck through.

*Prospectus RTS
Regulation 1*

the *UK* version of Commission Delegated Regulation (EU) No 382/2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus, which is part of *UK* law by virtue of the *EUWA*.

*Prospectus RTS
Regulation 2*

the *UK* version of Commission Delegated Regulation (EU) 2016/301 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for approval and publication of the prospectus and dissemination of advertisements and amending Commission Regulation (EC) No 809/2004, which is part of *UK* law by virtue of the *EUWA*.

Annex B

Amendments to Principles for Businesses (PRIN)

In this Annex, underlining indicates new text and striking through indicates deleted text.

3 Rules about application

3.1 Who?

...

3.1.1A R *PRIN* also applies:

...

- (2) ~~with the exception of *Principle 4*, and only in so far as responsibility for the matter in question is not reserved by the *Payment Services Directive*, *Electronic Money Directive* or other *EU* instrument to the *person's Home State regulator*, to an *EEA authorised electronic money institution*, an *EEA authorised payment institution* and an *EEA registered account information service provider*. [deleted]~~

...

3.3 Where?

Territorial application of the Principles

...

3.3.3 R *PRIN 3.3.1R* applies to *electronic money institutions*, ~~*EEA authorised electronic institutions*~~, *payment institutions*; and *registered account information service providers* ~~and *EEA registered account information service providers*~~ as if the references to a *firm* were references to a *person* within that description, and references to an *appointed representative* were to an *agent* of such a *person* within the meaning of the *Payment Services Regulations*.

Annex C

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise indicated.

1 Annex 1 Detailed application of SYSC

...

Table A: Application of the common platform requirements in SYSC 4 to SYSC 10

Provision SYSC 4	COLUMN A Application to a common platform firm other than to a UCITS investment firm	COLUMN A+ Application to a UCITS management company	COLUMN A++ Application to a full-scope UK AIFM of an authorised AIF	COLUMN B Application to all other firms apart from insurers, UK ISPVs, managing agents, the Society, full-scope UK AIFMs of unauthorised AIFs, MiFID optional exemption firms, ² and third country firms
...
SYSC 4.3.1R
SYSC 4.3.2R	Not applicable	Rule	Not applicable	Guidance = but: (a) applies as a rule to an operator of an electronic system in relation to lending; and (b)
SYSC 4.3.2AG	Not applicable	Not applicable	Not applicable	Guidance or <u>(but not applicable to an operator of an electronic system in relation to lending)</u>

...
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...

3 Systems and controls

...

3.4 SRD requirements

Application

...

- 3.4.3 G The defined term *regulated market* has an extended meaning for the purposes of this section. The definition includes certain markets situated outside the ~~EEA~~ United Kingdom.

...

6 Compliance, internal audit and financial crime

6.1 Compliance

...

- 6.1.2 R *A firm that is a management company or an operator of an electronic system in relation to lending must, taking into account the nature, scale and complexity of its business, and the nature and range of financial services and activities undertaken in the course of that business, establish, implement and maintain adequate policies and procedures designed to detect any risk of failure by the firm to comply with its obligations under the regulatory system, as well as associated risks, and put in place adequate measures and procedures designed to minimise such risks and to enable the FCA to exercise its powers effectively under the regulatory system and, in respect of a management company,*

...

[*Editor's note:* the Exiting the European Union: High Level Standards (Amendments) Instrument 2019 (FCA 2019/20) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) made amendments to SYSC 18.6.4G. The text below takes account of the changes made by both these instruments. Further onshoring changes, to the consolidated text of the two instruments, are not indicated by underlining or strikethrough.]

Replace relevant provisions and add new sub-sections within SYSC 18.6.4G with the text below. The text is not underlined.

18 Whistleblowing

...

18.6 Whistleblowing obligations under MiFID and other EU legislation

...

Whistleblowing obligations under other EU legislation

18.6.4 G In addition to obligations under the *MiFID* regime, similar whistleblowing obligations apply to miscellaneous persons subject to regulation by the *FCA* under the following non-exhaustive list of legislation:

...

- (3) the *UK* provisions which implemented article 99d(5) of the *UCITS Directive* (see *SYSC* 4.1.1ER in respect of *UK UCITS management companies*, and *COLL* 6.6B.30R in respect of *depositories*);
- (4) article 24(3) of the *securities financing transactions regulation*; and
- (5) section 97A of the *Act*, as regards obligations under the *Prospectus Regulation*, the *PR Regulation*, and the *Prospectus RTS Regulation*.

...

Annex D

Amendments to the General Provisions (GEN)

In this Annex, underlining indicates new text and striking through indicates deleted text.

2 Interpreting the Handbook

...

2.2 Interpreting the Handbook

Purpose

2.2.36 G (1) ...

...

- (9) In relation to persons with *temporary EMI authorisation*, *temporary PI authorisation* and *temporary RAISP authorisation*, the specified directions, *rules* and *guidance* in *FEES* 4A, 7C and 13A apply to them. In addition, in relation to those *persons*, *rules* and *guidance* in *DISP*, ~~and~~ *SUP*, *PRIN* and *BCOBS* apply to them as they apply to ~~persons~~ electronic money institutions, payment institutions and registered account information service providers that are authorised or registered in the *UK*.

...

[*Editor’s note:* the Exiting the European Union: Business Standards Sourcebooks (Amendments) Instrument 2019 (FCA 2019/23) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) made amendments to COBS 14.3.3R. The text below takes account of the changes made by both these instruments. Further onshoring changes, to the consolidated text of the two instruments, are not indicated by underlining or strikethrough.]

Annex E

Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise indicated.

1 Application and purpose

...

1 Application (see COBS 1.1.2R)

Annex

1

...

Part 3: Guidance

...		
11.		SRD: effect on territorial scope [deleted]
11.4	G	SRD includes a number of requirements on SRD asset managers. These requirements are implemented in COBS 2.2B.
11.2	G	SRD provides that the EEA State competent to regulate these requirements is the Home State as defined in the applicable sector-specific legislation. COBS 2.2B therefore applies where a UK firm carries on activities from an establishment in the United Kingdom or another EEA State, as set out in COBS 2.2B.4R.
		[Note: article 1(2)(a) of SRD]

2 Conduct of business obligations

...

2.2B SRD requirements

...

Application: What?

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...

- 2.2B.3 G The defined term *regulated market* has an extended meaning for the purposes of this section. The definition includes certain markets situated outside the ~~EEA~~ United Kingdom.

Application: Where?

- 2.2B.4 R (1) This section applies in relation to activities carried on by a *firm* from an establishment in the *United Kingdom*.
- (2) ~~This section also applies in relation to activities carried on by a UK firm from an establishment in another EEA State. [deleted]~~

...

Replace COBS 3.7.3BUK as made by the Exiting the European Union: Business Standards Sourcebooks (Amendments) Instrument 2019 (FCA 2019/23) with the text below. The text is not underlined.

3 Client categorisation

...

3.7 Providing clients with a higher level of protection

...

- 3.7.3B UK Article 71(2) to (4) of the *MiFID Org Regulation* sets out provisions applying to *eligible counterparties* requesting a higher level of protection.

- | | |
|-------|--|
| 71(2) | Where, pursuant to [COBS 3.7.1R], an eligible counterparty requests treatment as a client whose business with an investment firm is subject to rules in the Conduct of Business; Market Conduct; Senior Management Arrangements, Systems and Controls and the Product Intervention and Product Governance sourcebooks which were relied on immediately before IP completion day to implement Articles 24, 25, 27 and 28 of Directive 2014/65/EU (“the relevant rules”), the request should be made in writing, and shall indicate whether the treatment as retail client or professional client refers to one or more investment services or transactions, or one or more types of transaction or product. |
| (3) | Where an eligible counterparty requests treatment as a client whose business with an investment firm is subject to the relevant rules, but does not expressly request treatment as a retail client, the firm shall treat that eligible counterparty as a professional client. |

- | | |
|-----|--|
| (4) | Where the eligible counterparty expressly requests treatment as a retail client, the investment firm shall treat the eligible counterparty as a retail client, applying the provisions in respect of requests of non-professional treatment specified in paragraph 4 of Schedule 1 to Regulation (EU) No 600/2014. |
|-----|--|

Replace COBS 14.3.3R as made by the Exiting the European Union: Business Standards Sourcebooks (Amendments) Instrument 2019 (FCA 2019/23) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) with the text below. The text is not underlined.

14 Providing product information to clients

...

14.3 Information about designated investments (non-MiFID provisions)

...

- 14.3.3 R If a *firm* provides a *retail client* with information about a *designated investment* that is the subject of a current offer to the public and a prospectus has been published in connection with that offer in accordance with the *Prospectus Regulation*, that *firm* must inform the *retail client* where that prospectus is made available to the public.

...

Amend the following text as shown.

18 Specialist regimes

...

18.5A Full-scope UK AIFMs and incoming EEA AIFM branches

...

Application or modification of general COBS rules

- 18.5A.3 R A *firm* when it is carrying on *AIFM investment management functions*:
- (1) must comply with the *COBS rules* specified in the table, as modified by this section; and
 - (2) need not comply with any other *rule* in *COBS*.

Table: Application of conduct of business rules

Chapter, section, rule	Full-scope UK AIFM	Incoming EEA AIFM branch
...		
2.1.4R (AIFMs best interest rule)	...	
2.2B (SRD requirements)	Applies	Does not apply
...		

...

22 Restrictions on the distribution of certain complex investment products

...

22.4 Prohibition on the retail marketing, distribution and sale of derivative contracts of a binary or other fixed outcomes nature

...

22.4.2A G Persons (including unauthorised persons) who benefit from a temporary exemption or exclusion from the general prohibition under:

- (1) Part 7 of the EU Exit Passport Regulations; or
- (2) Part 4 of the Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/1361)

are required to comply with the rules in this section as a consequence of:

- (3) regulation 59 of the EU Exit Passport Regulations; or
- (4) regulation 19 of the Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019.

22.5 Restrictions on the retail marketing, distribution and sale of contracts for differences and similar speculative investments

Application

- 22.5.1 R (1) Subject to ~~(2)~~, COBS 22.5.1AR, and COBS 22.5.1BG ~~and COBS 22.5.1CR~~ this section applies to:

...

- (2) ~~This section does not apply to the marketing, distribution or sale of restricted speculative investments to a retail client in another EEA State to the extent that those activities are subject to stricter requirements imposed under article 42 of MiFIR by the competent authority of that EEA State. [deleted]~~

22.5.1-A G Persons (including unauthorised persons) who benefit from a temporary exemption or exclusion from the general prohibition under:

- (1) Part 7 of the EU Exit Passport Regulations; or
- (2) Part 4 of the Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/1361)

are required to comply with the rules in this section as a consequence of:

- (3) regulation 59 of the EU Exit Passport Regulations; or
- (4) regulation 19 of the Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019.

...

22.5.1C R ~~The rules in this section do not apply to the sale and distribution of restricted options by an EEA MiFID investment firm (EEAMIF) in circumstances where:~~

- (1) ~~the EEAMIF has not marketed, nor caused to be marketed, the restricted option in the United Kingdom; and~~
- (2) ~~the retail client is in the United Kingdom and has approached the EEAMIF at their own exclusive initiative. [deleted]~~

22.5.2 G ~~The rule in COBS 22.5.1R(2) means that a firm does not need to comply with the rules in this section to the extent that the marketing, distribution or sale by that firm is subject to a stricter requirement in the retail client's state. For instance:~~

- (1) ~~Where a firm sells a restricted speculative investment to a retail client in an EEA State (A) and A has imposed stricter margin requirements for retail clients than those in this section, but the remainder of the requirements imposed by A are the same or less strict than those in this section, then the firm should comply with the stricter margin requirements imposed by A but should still comply with the remainder of the rules in this section. [deleted]~~

Annex F

Amendments to the Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)

In this Annex, underlining indicates new text and striking through indicates deleted text.

1 Application and purpose

...

1.2 General application: who? what?

...

Application of MCOB where agreements are facilitated by a P2P platform

1.2.22 R ...

(5) *MCOB 1.2.22R(4)* does not apply where ~~non-~~the provision in question is one which applied immediately before *IP completion day* and a failure to secure compliance with the provision would ~~be~~ have been incompatible with *EU law* at that time.

1.2.23 G (1) The purpose of *MCOB 1.2.22R(3)* to *MCOB 1.22.R(5)* is to avoid imposing overlapping requirements on the *P2P platform operator* facilitating a home financing arrangement and any *firms* who may participate in that arrangement as finance providers, to the extent that ~~is~~ was compatible with *EU law* immediately before *IP completion day*, in particular the *MCD* and the *Distance Marketing Directive*. ...

...

...

15 P2P home finance activities

...

15.5 MCOB provisions disappplied from P2P platform operators

...

15.5.3 G ~~A regulated mortgage contract (including a *MCD regulated mortgage contract*) where the lender does not act by way of business is not within the scope of the *MCD*. [deleted]~~

Annex G

Amendments to the Banking: Conduct of Business sourcebook (BCOBS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

1 Application

1.1 General application

The general application rule

...

Application to payment services and electronic money

- 1.1.1A R In addition to the general application rule, Chapter 2 of *BCOBS* applies to a *firm* (other than a *credit union*), an *electronic money institution*, ~~an EEA authorised electronic institution~~, a *payment institution*, and a registered account information service provider ~~and an EEA registered account information service provider~~ with respect to the provision of *payment services* or issuance or redemption of *electronic money* carried on from an establishment maintained by it or its *agent* in the *United Kingdom* and activities connected with those activities. These *persons* are referred to collectively in Chapters 1 and 2 of *BCOBS* as “providers”.

...

2 Communications and financial promotions

2.1 Purpose and application: Who and what?

- 2.1.1 G *Principle 6* requires a *firm* to pay due regard to the interests of its *customers* and treat them fairly. *Principle 7* requires a *firm* to pay due regard to the information needs of its *clients* and communicate information to them in a way which is clear, fair and not misleading. *Principles 6* and *7* also apply to an *electronic money institution*, ~~an EEA authorised electronic money institution~~, a *payment institution*, and a registered account information service provider ~~and an EEA registered account information service provider~~ with respect to provision of *payment services* and the issuance of *electronic money*. This chapter reinforces these requirements by requiring a *firm* and these other providers to pay regard to the information needs of *banking customers*, *payment service customers* and *electronic money customers* when communicating with, or making a *financial promotion* or a *payment service or electronic money promotion* to, them and to communicate information in a way that is clear, fair and not misleading.

Annex H

Amendments to the Product Intervention and Product Governance sourcebook (PROD)

In this Annex, underlining indicates new text.

3 Product Governance: MiFID

...

3.2 Manufacture of products

...

Manufacture by more than one firm

...

- 3.2.7 R Where *firms* collaborate, including with entities which are not authorised and supervised in accordance with UK provisions implementing MiFID or *third country investment firms*, to create, develop, issue and/or design a *financial instrument*, they must outline their mutual responsibilities in a written agreement.

[**Note:** article 9(8) of the *MiFID Delegated Directive*]

Annex I

Amendments to the Supervision manual (SUP)

[*Editor's note:* Since we made amendments to SUP 16.1.2G below in instrument FCA 2019/11 (Reporting of Information about Directory Persons (Dual-Regulated Firms) Instrument 2019), the provision was amended by another instrument FCA 2019/24 (Exiting the European Union: Regulatory Processes Sourcebooks (Amendments) Instrument 2019). However, as those amendments would operate on this same provision in different ways, we are here showing the provision as it will look at IP completion day, without mark-up, for the avoidance of doubt.]

16 Reporting requirements

16.1 Application

...

- 16.1.2 G (1) Subject to (2), the only category of *firm* to which no section of this chapter applies is an *ICVC*.
- (a) [deleted]
- (b) [deleted]
- (c) [deleted]
- (2) *SUP* 16.26 (Reporting of information about Directory persons) applies to a *firm* which is an *SMCR firm* (see *SUP* 16.1.1FR).

Annex J

Amendments to the Decision Procedure and Penalties manual (DEPP)

In this Annex, underlining indicates new text.

2 Statutory notices and the allocation of decision making

...

2.5 Provision for certain categories of decision

...

2.5.18 G Some of the distinguishing features of notices given under enactments other than the *Act* are as follows:

...

(9) *Securities Financing Transactions Regulation (as amended by the SFTR (EU Exit) Regulations): where the FCA is exercising its powers to refuse an application for registration of a trade repository under article 7 of the Securities Financing Transactions Regulation or to refuse an application made by a trade repository to withdraw its registration under article 10(3), it must give a written notice in accordance with article 10a(6). In these circumstances the decision to give a written notice under article 10a(6) will be taken by FCA staff under executive procedures.*

Where the FCA is exercising its powers to withdraw the registration of a trade repository on the FCA's own initiative under article 10(1) or 10(2), it must give a written notice in accordance with article 10a(6)(b). In these circumstances, the decision to give a written notice under article 10a(6)(b) will be taken by the RDC.

Upon receipt of a written notice under article 10 the trade repository may decide to seek a review or to refer the matter directly to the Tribunal under article 10b.

If the trade repository decides to seek a review of the decision set out in the article 10 notice, they can make representations to the RDC. If the RDC decides to maintain the original decision, the trade repository may refer the RDC's decision to do so to the Tribunal.

...

2 Warning notices and decision notices under the Act and certain other
Annex enactments
1G

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...

Securitisation (Amendment) (EU Exit) Regulations	Description	Handbook reference	Decision maker
...			
<u>SFTR (EU Exit) Regulations</u>	<u>Description</u>	<u>Handbook reference</u>	<u>Decision maker</u>
<u>Regulations 26(1)(a) and 27(1)(a)</u>	<u>when the FCA is proposing or deciding to publish a statement under regulation 28</u>		<u>RDC</u>
<u>Regulations 26(1)(b) and 27(1)(b)</u>	<u>when the FCA is proposing or deciding to impose a financial penalty under regulation 29</u>		<u>RDC</u>

2 Supervisory notices

Annex

2G

...

Securitisation (Amendment) (EU Exit) Regulations	Description	Handbook reference	Decision maker
...			
<u>Securities Financing Transactions Regulation</u>	<u>Description</u>	<u>Handbook reference</u>	<u>Decision maker</u>
<u>Article 10a(6)(a) and 10a(11)(a)</u>	<u>when the FCA is exercising its power under article 7 of the Securities Financing Transactions Regulation to refuse an application for registration of a trade repository</u>		<u>RDC or executive procedures (see DEPP 2.5.18G(9))</u>

<p><u>Article 10a(6)(b) and 10a(11)(b)</u></p>	<p><u>when the FCA is exercising its power to withdraw the registration of a trade repository on its own initiative under article 10(1) or 10(2)</u></p>		<p><u>RDC</u> <u>(see DEPP 2.5.18G(9))</u></p>
<p><u>Article 10a(6)(c) and 10a(11)(c)</u></p>	<p><u>when the FCA is exercising its power to refuse an application made by a trade repository to withdraw its registration under article 10(3)</u></p>		<p><u>RDC or executive procedures</u> <u>(see DEPP 2.5.18G(9))</u></p>

...

Sch 4 Powers Exercised

...

4.2G

<p>The following additional powers and related provisions have been exercised by the FCA to make the statements of policy in DEPP:</p>
<p>...</p>
<p>Regulation 76 (Application of Part 26 of the Act (notices) of the <i>Trade Repositories (EU Exit) Regulations</i>, as applied by regulation 15 of the <i>Securitisation (Amendment) (EU Exit) Regulations</i></p>
<p><u>Regulation 30 (Statement of policy) of the SFTR (EU Exit) Regulations</u></p>
<p><u>Regulation 32 (Powers to issue guidance) of the SFTR (EU Exit) Regulations</u></p>
<p><u>Regulation 36 (Application of Part 11 of the Act (information gathering and investigations)) of the SFTR (EU Exit) Regulations</u></p>
<p><u>Regulation 37 (Application of Part 26 of the Act (notices)) of the SFTR (EU Exit) Regulations</u></p>

Annex K

Amendments to the Collective Investment Schemes sourcebook (COLL)

In this Annex, underlining indicates new text and striking through indicates deleted text.

6 Operating duties and responsibilities

...

6.6 Powers and duties of the scheme, the authorised fund manager, and the depositary

...

Application of assessment of value and independent director rules

6.6.19 R *COLL* 6.6.20R to *COLL* 6.6.26G apply to:

- (1) *an authorised fund manager* (other than ~~an *EEA UCITS management company* or an *EEA AIFM* one which is managing an *authorised fund* under a *temporary permission*) of an *AUT*, *ACS*, or *ICVC*; ~~and~~~~
- (2) ~~a *UK UCITS management company* providing collective portfolio management services for an *EEA UCITS scheme* from a *branch* in another *EEA State* or under the freedom to provide *cross border services*. [deleted]~~

...

8 Qualified investor schemes

...

8.5 Powers and responsibilities

...

Application of assessment of value and independent director rules

8.5.16 R *COLL* 8.5.17R to *COLL* 8.5.22R apply to an *authorised fund manager* (other than ~~an *EEA AIFM* one which is managing an *authorised fund* under a *temporary permission*~~) of an *AUT*, *ACS*, or *ICVC*.

...

[*Editor's note:* the Exiting the European Union: Specialists Sourcebooks (Amendments) Instrument 2019 (FCA 2019/25) and the Prospectus Regulation Rules Instrument 2019 (FCA CP 19/18) (PS19/12 'Changes to align the FCA Handbook with the EU Prospectus Regulations: feedback to CP19/6') made amendments to RCB 1.1.9G(1). The text below takes account of the changes made by both these instruments. Further onshoring changes, to the consolidated text of the two instruments, are not indicated by underlining or strikethrough.]

Annex L

Amendments to the Regulated Covered Bonds sourcebook (RCB)

Replace RCB 1.1.9G(1) made by the Exiting the European Union: Specialists Sourcebooks Instrument 2019 (FCA 2019/25) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) with the text below. The text is not underlined.

1 Introduction

1.1 Introduction to sourcebook

...

- 1.1.9 G (1) *Issuers* which are subject to an obligation to publish a prospectus under the *Prospectus Regulation* are required by Chapter II of the *PR Regulation* to disclose risk factors. These requirements are set out in *PRR 2.3.1UK* and *PRR App 2.1.1UK*, where there is a link to the relevant Annexes of the *PR Regulation*.

...

[*Editor's note:* the Exiting the European Union: Listings, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019 (FCA 2019/26) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) (PS19/12 'Changes to align the FCA Handbook with the EU Prospectus Regulations: feedback to CP19/6') made amendments to LR 2.2.10R, LR 4.1.1R, LR 4.2.2R, LR 4.3.5R, LR 4.4.2R and LR Appendix 1. The text below takes account of the changes made by both of these instruments.]

Annex M

Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise indicated.

Replace LR 2.2.10R, LR 4.1.1R, LR 4.2.2R and LR 4.4.2R, or part of the text as shown, made by the Exiting the European Union: Listings, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019 (FCA 2019/26) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) with the text of the relevant provisions as shown below. The text is not marked up.

The amendment made to LR 4.3.5R made by the Exiting the European Union: Listings, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019 (FCA 2019/26) is reversed and LR 4.3.5R is to stand as amended by the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80), as reproduced below.

2 Requirements for listing: All securities

2.2 Requirements for all securities

...

Prospectus

- 2.2.10 R (1) This *rule* applies if:
- (a) a *prospectus* must be approved and published for the *securities*; or
 - (b) the *applicant* is permitted and elects to draw up a *prospectus* for the *securities*.
- (2) To be *listed*, a *prospectus* must have been approved by the *FCA* and published in relation to the *securities*.

...

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4 Listing particulars for professional securities market and certain other securities: All securities

4.1 Application and Purpose

Application

4.1.1 R This chapter applies to an *issuer* that has applied for the *admission* of:

...

(2) any other *specialist securities* for which a *prospectus* is not required under the *Act* or the *Prospectus Regulation*.

...

4.2 Contents and format of listing particulars

...

Summary

4.2.2 R (1) The *listing particulars* must contain a *summary* that complies with the requirements in article 7 of the *Prospectus Regulation*, *PRR 4.1.2R* and Chapter I of the *Prospectus RTS Regulation* (as if those requirements applied to the *listing particulars*).

...

...

4.3 Approval and publication of listing particulars

...

Filing and publication of listing particulars etc

4.3.5 R An *issuer* must ensure that after *listing particulars* or *supplementary listing particulars* are approved by the *FCA*, the *listing particulars* or *supplementary listing particulars* are filed and published as if the relevant requirements in *PRR 3.2*, article 21 of the *Prospectus Regulation*, the *PR Regulation* and the *Prospectus RTS Regulation* applied to them.

4.4 Miscellaneous

Supplementary listing particulars

...

4.4.2 R An *issuer* must ensure that after *supplementary listing particulars* are approved by the *FCA*, the *supplementary listing particulars* are filed and published as if the requirements in *PRR 3.2*, article 21 of the *Prospectus*

Regulation, the *PR Regulation* and the *Prospectus RTS Regulation* applied to them.

...

9 Continuing obligations

...

9.2 Requirements with continuing application

...

Compliance with the disclosure requirements, transparency rules and corporate governance rules

...

- 9.2.6C R A *listed company* that is not already required to comply with:
- (+) ~~DTR 7.3 (Related party transactions); or~~
 - (2) ~~requirements imposed by another EEA State that correspond to DTR 7.3;~~
- must comply with *DTR 7.3* as if it were an *issuer* to which *DTR 7.3* applies, subject to the modifications set out in *LR 9.2.6DR*.
- 9.2.6D R For the purposes of *LR 9.2.6CR*, *DTR 7.3* is modified as follows:
- (1) *DTR 7.3.2R* must be read as if the words “has the meaning in UK-adopted IFRS” are replaced by:
 - “has the meaning:
 - (a) in UK-adopted IFRS; or
 - (b) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have been determined to be equivalent to UK-adopted IFRS by the European Commission in accordance with Commission Regulation (EC) No. 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council and which are set out in the TD Equivalence Decision,
 - (i) in UK-adopted IFRS, or

- (ii) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared;

at the choice of the *listed company*.”

...

...

14 Standard listing (shares)

...

14.3 Continuing obligations

...

Compliance with the transparency rules and corporate governance rules

...

14.3.25 R A *company* with a *standard listing* of *equity shares* (other than an *open-ended investment company*) that is not already required to comply with:

(1) *DTR 7.3* (Related party transactions); ~~or~~

(2) ~~requirements imposed by another EEA State that correspond to *DTR 7.3*;~~

must comply with *DTR 7.3* as if it were an *issuer* to which *DTR 7.3* applies, subject to the modifications set out in *LR 14.3.26R*.

14.3.26 R For the purposes of *LR 14.3.25R*, *DTR 7.3* is modified as follows:

(1) *DTR 7.3.2R* must be read as if the words “has the meaning in *UK-adopted IFRS*” are replaced by:

“has the meaning:

(a) in *UK-adopted IFRS*; or

(b) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have been determined to be equivalent to *UK-adopted IFRS* by the European Commission in accordance with Commission Regulation (EC) No. 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the

~~Council~~ and which are set out in the *TD Equivalence Decision*,

- (i) in *UK-adopted IFRS*, or
- (ii) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared;

at the choice of the *listed company*.”

...

...

21 Sovereign Controlled Commercial Companies: Premium listing

...

21.8 Continuing obligations: Certificates representing shares

...

Additional requirements: compliance with the disclosure requirements, transparency rules and corporate governance rules

...

- 21.8.17A R A *listed company* that is not already required to comply with:
- (1) ~~DTR 7.3 (Related party transactions); or~~
 - (2) ~~requirements imposed by another EEA State that correspond to DTR 7.3;~~
- must comply with *DTR 7.3* as if it were an *issuer* to which *DTR 7.3* applies, subject to the modifications set out in *LR 21.8.17BR*.
- 21.8.17B R For the purposes of *LR 21.8.17AR*, *DTR 7.3* is modified as follows:
- (1) *DTR 7.3.2R* must be read as if the words “has the meaning in *UK-adopted IFRS*” are replaced by:
 - “has the meaning:
 - (a) in *UK-adopted IFRS*; or
 - (b) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have been determined to be equivalent to *UK-adopted IFRS* by the European Commission in accordance with Commission Regulation (EC) No. 1569/2007 of 21 December 2007 establishing a

~~mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council and which are set out in the *TD Equivalence Decision*,~~

- (i) in UK-adopted IFRS, or
- (ii) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared;

at the choice of the *listed company*.”

...

...

Insert the following new definitions in the appropriate alphabetical positions.
The text is not underlined.

Appendix 1 Relevant definitions

App 1.1 Relevant definitions

...

<i>Prospectus RTS Regulation</i>	the <i>UK</i> version of Commission Delegated Regulation (EU) 2019/979, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>TD Equivalence Decision</i>	the <i>UK</i> version of Commission Decision (EC) No 2008/961 of 12 December 2008 on the use by third countries’ issuers of securities of certain third country’s national accounting standards and International Financial Reporting Standards to prepare their consolidated financial statements, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .

Amend the following definition as shown. Underlining indicates new text.

<i>PR Regulation</i>	<u>the <i>UK</i> version of</u> Regulation number 2019/980 of the European Commission, <u>which is part of <i>UK</i> law by virtue of the <i>EUWA</i>.</u>
----------------------	--

Replace the following definition, and or parts of the definition, made by the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19) and the

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Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) with the text below. The text in this section is not underlined.

Prospectus Regulation the *UK* version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of *UK* law by virtue of the *EUWA*.

Delete the definition 'prospectus' in LR Appendix 1 (relevant definitions) made by the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19). This is replaced by the definition 'prospectus' made by the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) as follows. The text is not underlined.

Prospectus a *prospectus* required under the *Prospectus Regulation*.

The Exiting the European Union: Glossary (Amendments) Instrument 2019 deleted the following definitions, coming into force at IP completion day. After that instrument was made, the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) (PS19/12 'Changes to align the FCA Handbook with the EU Prospectus Regulations: feedback to CP19/6') amended these definitions. The following definitions, as amended, remain deleted as intended by the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19):

Home Member State or *Home State* ~~(as defined in section 102C of the Act) in relation to an issuer of transferable securities, the EEA State which is the "home Member State" for the purposes of the Prospectus Regulation (which is to be determined in accordance with article 2(m) of that regulation): [deleted]~~

Host Member State or *Host State* ~~(as defined in article 2(n) of the Prospectus Regulation) the State where an offer of securities to the public is made or admission to trading is sought, when different from the home Member State: [deleted]~~

The Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19) inserted the following definition, coming into force at IP completion day. This definition is now to be deleted as follows.

Prospectus RTS Regulation 2 ~~the *UK* version of Commission Delegated Regulation (EU) 2016/301 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for approval and publication of the prospectus and dissemination of advertisements and~~

amending Commission Regulation (EC) No 809/2004, which is part of UK law by virtue of the EUWA. [deleted]

The Exiting the European Union: Listings, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019 (FCA 2019/26) inserted a new transitional provision into LR TR 14 titled ‘Transitional Provisions for a prospectus approved by an EEA State before exit day’, coming into force at IP completion day. After that instrument was made, the Listing and Disclosure Sourcebooks (Shareholders Rights Directive) Instrument 2019 also inserted a new transitional provision into LR TR 14. The transitional provision inserted by FCA 2019/26 is therefore renumbered to LR TR 15 and amended as shown below. Underlining indicates new text and striking through indicates deleted text.

TR 14 **Transitional Provisions for a prospectus approved by an EEA State**
TR 15 **before IP completion day**

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the Transitional Provision applies		Transitional Provision	Transitional Provision: dates in force	Handbook Provision: coming into force
1.	LR 2.2.1R LR 2.2.10R, LR 3.3.2R, LR 3.3.6R, LR 3.4.4R, LR 6.2.1R, LR 6.2.2G, LR 6.7.1R, LR 6.12.2G, LR 8.2.1R, LR 8.4.1R, LR 8.4.3R(3), LR 8.4.8R, and LR 8.4.9R(3), LR 9.2.18R, LR 13.1.3R, LR 13.4.1R, LR 13.6.1R LR 21.6.14R	R	For the purposes of these rules references to a <i>prospectus</i> include: (1) a prospectus referred to under regulation 73 of the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019; (1) a prospectus referred to under regulation 74 of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019; and (2) a prospectus approved by the FCA before <i>IP completion day</i> .	For LR 3.3.6R, a period of six years following IP completion day. For LR 13.1.3R, LR 13.4.1R and LR 13.6.1R, an indefinite period of time. For all other provisions, For 12 months following IP completion day.	IP completion day

	<u>and LR 21.8.27R.</u>				
<u>2.</u>	<u>LR 3.4.7R</u>	<u>R</u>	<p><u>For the purposes of this rule, references to a base prospectus include:</u></p> <p><u>(1) a prospectus referred to under regulation 74 of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019;</u> <u>and</u></p> <p><u>(2) a base prospectus approved by the FCA before IP completion day.</u></p>	<u>For 12 months following IP completion day</u>	<u>IP completion day</u>
<u>3.</u>	<u>LR 8.4.3R(1)</u>	<u>R</u>	<p><u>For a prospectus referred to under regulation 74 of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, a sponsor must submit a completed Sponsor's Declaration on an Application for Listing to the FCA at a time to be agreed with the FCA.</u></p>	<u>For 12 months following IP completion day</u>	<u>IP completion day</u>
<u>4.</u>	<u>LR 8.4.3R(4)</u>	<u>R</u>	<p><u>For a prospectus referred to under regulation 74 of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, the letter referred to in LR 8.4.3R(4) must be submitted to the FCA at a time to be agreed with the FCA.</u></p>	<u>For 12 months following IP completion day</u>	<u>IP completion day</u>
<u>5.</u>	<u>LR 8.4.9R(1)</u>	<u>R</u>	<p><u>For a prospectus referred to under regulation 74 of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, a sponsor must submit a completed Sponsor's Declaration on an Application for Listing to the FCA at a time to be agreed with the FCA.</u></p>	<u>For 12 months following IP completion day</u>	<u>IP completion day</u>

Annex N

Amendments to the Prospectus Regulation Rules sourcebook (PRR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise indicated.

1 Preliminary

1.1 Preliminary

Application

- 1.1.1 R (1) The *rules* and *guidance* in this sourcebook, except for the *rules* and *guidance* in PRR 4.1, only apply ~~(subject to paragraph (2))~~ in relation to:
- (a) an *offer*, or a request for *admission to trading* of *transferable securities*, in respect of which article 3 of the *Prospectus Regulation* applies (other than an exempt *offer* under section 86 of the *Act* or article 1 of the *Prospectus Regulation*) ~~and in relation to which the *United Kingdom* is the *Home State*;~~
 - (b) an *offer*, or a request for *admission to trading* of *transferable securities*, where under article 4 of the *Prospectus Regulation* a *person* has elected to have a *prospectus* in relation to the *transferable securities* ~~and in relation to which the *United Kingdom* is the *Home State*; and~~
 - (c) an *offer*, or a request for *admission to trading* of *transferable securities*, not referred to in paragraphs (a) or (b), ~~in relation to which the *United Kingdom* is the *Home State*.~~
- (2) ~~The *rules* falling within paragraph (1) also apply in relation to an *offer*, or a request for *admission to trading* of *transferable securities*, where another competent authority of an *EEA State* has transferred the function of approving the *prospectus* to the *FCA*.~~
[deleted]

...

Provisions concerning the prospectus regime

- 1.1.5 G The *FCA* considers that the following documents are relevant to the *prospectus* regime:

...

[**Note:** *ESMA* has also issued guidelines under article 16(3) of the *ESMA Regulation* covering ‘Alternative Performance Measures’. See

<https://www.esma.europa.eu/sites/default/files/library/2015/10/2015-esma-1415en.pdf> ESMA Guidelines on Alternative Performance Measures, 5 October 2015(ESMA/2015/1415)]

...

1.2 Requirement for a prospectus and exemptions

Requirement for a prospectus

- 1.2.1 EU Article 3(1) and (3) of the *Prospectus Regulation* provides for when a
UK *prospectus* will be required:

Article 3

~~Subject matter, scope and exemptions~~ Obligation to publish a prospectus and exemption

1. Without prejudice to Article 1(4), securities shall only be offered to the public in the ~~Union~~ United Kingdom after prior publication of a prospectus in accordance with this Regulation.

...

3. Without prejudice to Article 1(5), securities shall only be admitted to trading on a regulated market situated or operating within the ~~Union~~ United Kingdom after prior publication of a prospectus in accordance with this Regulation.

Securities to which the Prospectus Regulation does not apply

- 1.2.2 EU Article 1(2) and (3) of the *Prospectus Regulation* provides that certain
UK *transferable securities* are out of scope of the *Prospectus Regulation*:

Article 1

~~Subject matter, scope and exemptions~~

...

2. This Regulation shall not apply to the following types of securities:

...

- (b) non-equity securities issued by ~~— a Member State or by one of a Member State's regional or local authorities, by public international bodies of which one or more Member States are members, by the European Central Bank or by the central banks of the Member States~~
 - (i) the government of any country or territory,
 - (ii) a local or regional authority of any country or territory,

(iii) a public international body of which any state is a member,

(iv) the European Central Bank or the central bank of any state;

(c) shares in the capital of central banks of ~~the Member States~~ any state;

(d) securities unconditionally and irrevocably guaranteed by a ~~Member State or by one of a Member State's regional or local authorities~~ the government or a local or regional authority of any country or territory;

(e) securities issued by associations with legal status or non-profit-making bodies, recognised by a ~~Member State~~ state, for the purposes of obtaining the funding necessary to achieve their non-profit-making objectives;

...

3 Without prejudice ~~to the second subparagraph of this paragraph and to Article 4,~~ this Regulation shall not apply to an offer of securities to the public with a total consideration in the ~~Union~~ United Kingdom of less than EUR 1 000 000, which shall be calculated over a period of 12 months.

~~Member States shall not extend the obligation to draw up a prospectus in accordance with this Regulation to offers of securities to the public referred to in the first subparagraph of this paragraph. However, in those cases, Member States may require other disclosure requirements at national level to the extent that such requirements do not constitute a disproportionate or unnecessary burden.~~

...

Exempt securities – offers of securities to the public

1.2.3 ~~EU~~ UK Article 1(4) of the *Prospectus Regulation* provides that certain *offers of transferable securities* to the public are exempt from the obligation to publish a *prospectus*:

Article 1

Subject matter, scope and exemptions

...

4. The obligation to publish a prospectus set out in Article 3(1) shall not apply to any of the following types of offers of securities to the public:

...

- (b) an offer of securities addressed to fewer than 150 natural or legal persons ~~per Member State~~ in the United Kingdom, other than qualified investors;

...

- (f) subject to paragraph 6a, securities offered in connection with a takeover by means of an exchange offer, provided that a document is made available to the public in accordance with the arrangements set out in Article 21(2), containing information describing the transaction and its impact on the issuer;

- (g) subject to paragraph 6b, securities offered, allotted or to be allotted in connection with a merger or division, provided that a document is made available to the public in accordance with the arrangements set out in Article 21(2), containing information describing the transaction and its impact on the issuer;

...

- (j) non-equity securities issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the ~~Union~~ United Kingdom for the securities offered is less than EUR 75 000 000 per credit institution calculated over a period of 12 months, provided that those securities:

...

Exempt securities – admission to trading on a regulated market

- 1.2.4 ~~EU~~ UK Article 1(5) of the *Prospectus Regulation* provides that *admission to trading* of the following types of *transferable securities* is exempt from the obligation to publish a *prospectus*:

Article 1

Subject matter, scope and exemptions

...

5. The obligation to publish a prospectus set out in Article 3(3) shall not apply to the admission to trading on a regulated market of any of the following:

...

- (c) securities resulting from the conversion or exchange of other securities, own funds or eligible liabilities by a resolution

authority due to the exercise of a power referred to in the UK law which implemented Article 53(2), 59(2) or Article 63(1) or (2) of [RRD]

...

(e) subject to paragraph 6a, securities offered in connection with a takeover by means of an exchange offer, provided that a document is made available to the public in accordance with the arrangements set out in Article 21(2), containing information describing the transaction and its impact on the issuer;

(f) subject to paragraph 6b, securities offered, allotted or to be allotted in connection with a merger or a division, provided that a document is made available to the public in accordance with the arrangements set out in Article 21(2), containing information describing the transaction and its impact on the issuer;

...

(j) securities already admitted to trading on another regulated market, on the following conditions:

...

(v) that the person seeking the admission of a security to trading on a regulated market under the exemption set out in this point (j) makes available to the public ~~in the Member State of the regulated market where admission to trading is sought~~, in accordance with the arrangements set out in Article 21(2), a document the content of which complies with Article 7, except that the maximum length set out in Article 7(3) shall be extended by two additional sides of A4-sized paper, drawn up in a language accepted by the competent authority ~~of the Member State of the regulated market where admission is sought~~; and

...

The requirement that the resulting shares represent, over a period of 12 months, less than 20% of the number of shares of the same class already admitted to trading on the same regulated market as referred to in point (b) of the first subparagraph shall not apply in any of the following cases:

(a) where a prospectus was drawn up in accordance with ~~either this Regulation or [the PD] upon the offer to the public or~~

~~admission to trading on a regulated market of the securities giving access to the shares;~~

(i) before IP completion day, either this Regulation as it had effect immediately before IP completion day or [the PD]; or

(ii) on or after IP completion day, this Regulation, upon the offer to the public or admission to trading on a regulated market of the securities giving access to the shares;

...

(c) where the shares qualify as Common Equity Tier 1 items as laid down in Article 26 of [the ~~EU~~ UK CRR] of an institution as defined in point (3) of Article 4(1) of that Regulation and result from the conversion of Additional Tier 1 instruments issued by that institution due to the occurrence of a trigger event as laid down in point (a) of Article 54(1) of that Regulation;

(d) where the shares qualify as eligible own funds or eligible basic own funds as defined in the UK law which implemented Section 3 of Chapter VI of Title I of [the *Solvency II Directive*], and result from the conversion of other securities which was triggered for the purposes of fulfilling the obligations to comply with the UK law which implemented the Solvency Capital Requirement or Minimum Capital Requirement as laid down in Sections 4 and 5 of Chapter VI of Title I of [the *Solvency II Directive*] or the UK law which implemented the group solvency requirement as laid down in Title III of [the *Solvency II Directive*].

...

1.2.5 ~~EU~~ UK Article 1(6), (6a) and (6b) provide as follows in relation to exemptions:
Article 1

Subject matter, scope and exemptions

...

6a. The exemptions set out in point (f) of paragraph 4 and in point (e) of paragraph 5 shall only apply to equity securities, and only in the following cases:

...

(b) ~~the FCA supervisory authority that has the competence, where applicable, to review the offer document under Directive 2004/25/EC of the European Parliament and of the Council has~~

issued a prior approval, under paragraph 6c of this Article, for the documents referred to in point (f) of paragraph 4 or point (e) of paragraph 5 of this Article.

~~[**Note:** Under Regulation 2A of Financial Services and Markets Act 2000 (Prospectus) Regulations 2019, the FCA is designated as the competent supervisory authority for approving exempt documents under Article 1(6a)(b) of the Prospectus Regulation. ESMA's Final Report dated 29 March 2019 (<https://www.esma.europa.eu/sites/default/files/library/esma31-62-1207-final-report-on-technical-advice-under-prospectus-exemption.pdf>) contains technical advice on the minimum content for these documents. As of 27 March 2020, the delegated act has not yet been adopted and the requirements in the delegated act may ultimately differ from those which ESMA has proposed in its Final Report.]~~

...

6c. The FCA may issue prior approval for the documents referred to in point (f) of paragraph 4 or point (e) of paragraph 5 of this Article.

Voluntary prospectus

- 1.2.6 ~~EU~~ Article 4 of the *Prospectus Regulation* provides for when a *prospectus* may be drawn up on a voluntary basis:

Article 4

Voluntary prospectus

...

2. Such voluntarily drawn up prospectus approved by the competent authority ~~of the home Member State, as determined in accordance with point (m) of Article 2,~~ shall entail all the rights and obligations provided for a prospectus required under this Regulation and shall be subject to all provisions of this Regulation, under the supervision of that competent authority.

Prospectus for resale of transferable securities

- 1.2.7 ~~EU~~ Article 5 of the *Prospectus Regulation* provides for when an additional *prospectus* is, and is not, required in case of a subsequent resale of *transferable securities*:

...

2 Drawing up the prospectus

2.1 General contents of prospectus

General contents of prospectus

- 2.1.1 EU Article 6(1) and (2) of the *Prospectus Regulation* provides for the general
UK contents of a *prospectus*:

...

Summary

- 2.1.2 EU Article 7(1) (first sub-paragraph) and (2) of the *Prospectus Regulation*
UK provides:

...

When a summary is not required

- 2.1.3 EU Article 7(1) (second sub-paragraph) of the *Prospectus Regulation* provides:
UK

...

Contents of summary

- 2.1.4 EU Article 7(3) to (12) of the *Prospectus Regulation* provides for how the
UK contents of the *summary* are to be determined:

Article 7

The prospectus summary

...

5. The section referred to in point (a) of paragraph 4 shall contain:

...

It shall contain the following warnings:

...

- (d) ~~where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated;~~

...

...

7. The section referred to in point (c) of paragraph 4 shall contain the following information:

- (a) under a sub-section entitled ‘What are the main features of the securities?’, a brief description of the securities being offered to the public and/or admitted to trading on a regulated market including at least:

...

- (iv) the relative seniority of the securities in the issuer’s capital structure in the event of insolvency, including, where applicable, information on the level of subordination of the securities and the potential impact on the investment in the event of a resolution under the UK law which implemented [the *RRD*];

...

...

Where a key information document is required to be prepared under [the *PRIIPs Regulation*], the issuer, the offeror or the person asking for admission to trading on a regulated market may substitute the content set out in this paragraph with the information set out in points (c) to (i) of Article 8(3) of [the *PRIIPs Regulation*]. ~~Where [the *PRIIPs Regulation*] applies, each Member State acting as a home Member State for the purpose of this Regulation may require issuers, offerors or persons asking for admission to trading on a regulated market to substitute the content set out in this paragraph with the information set out in points (c) to (i) of Article 8(3) of [the *PRIIPs Regulation*] in the prospectuses approved by its competent authority.~~

...

...

12. ~~Where a key information document is required to be prepared for securities offered to the public under [the *PRIIPs Regulation*] and a home Member State requires the issuer, the offeror or the person asking for admission to trading on a regulated market to substitute the content of the key information document in accordance with the second sentence of the second subparagraph of paragraph 7 of this Article, the persons advising on or selling the securities on behalf of the issuer, the offeror or the person asking for admission to trading on a regulated market shall be deemed to have fulfilled, during the offer period, the obligation to provide the key information document in accordance with Article 13 of [the *PRIIPs Regulation*], provided that they instead provide the investors concerned with the summary of the prospectus under the timing and conditions set out in Articles 13 and 14 of that Regulation.~~

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- 2.1.5 ~~EU~~ Chapter I of the *Prospectus RTS Regulation* sets out the content and format of presentation of the key financial information referred to in Article 7(6)(b) and (7)(c)(iii) of the *Prospectus Regulation*:

...

[**Note:** Annexes I to VI of the *Prospectus RTS Regulation*, see https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2019.166.01.0001.01.ENG&toc=OJ.L.:2019:166:TOC [[Link to follow](#)]]

Language of the summary

- 2.1.6 ~~EU~~ Article 27(4) of the *Prospectus Regulation* provides as follows in relation to the language of the *summary*:

~~Article 27~~

Use of language

...

4. ~~The final terms and the summary of the individual issue shall be drawn up in the same language as the language of the approved base prospectus.~~

~~When, in accordance with Article 25(4), the final terms are communicated to the competent authority of the host Member State or, if there is more than one host Member State, to the competent authorities of the host Member States, the following language rules shall apply to the final terms and the summary annexed thereto:~~

- (a) ~~the summary of the individual issue annexed to the final terms shall be available in the official language or at least one of the official languages of the host Member State, or in another language accepted by the competent authority of the host Member State in accordance with the second subparagraph of paragraph 2 or the second subparagraph of paragraph 3, as applicable;~~
- (b) ~~where the base prospectus is to be translated pursuant to paragraph 2 or 3, as applicable, the final terms and the summary of the individual issue annexed thereto, shall be subject to the same translation requirements as the base prospectus.~~

~~[**Note:** PRR 4.1 sets out the *rules* about the language in which the *prospectus* must be drawn up.]~~

~~[**Note:** Under article 27(2) and (3) of the *Prospectus Regulation* the competent authority of each *Host State* shall require that the *summary* is translated into its official language. The *FCA* as competent authority of a~~

~~Host State requires a *summary* to be translated into English under *PRR* 4.1.4R.] [deleted]~~

2.2 Format of prospectus

Format of prospectus

- 2.2.1 ~~EU~~ Article 6(3) of the *Prospectus Regulation* provides for how a *prospectus* may be drawn up:

...

Prospectuses consisting of separate documents

- 2.2.2 ~~EU~~ Article 10 of the *Prospectus Regulation* provides for drawing up a *prospectus* consisting of separate documents:

Article 10

Prospectuses consisting of separate documents

1. An issuer that has already had a registration document approved by a the competent authority shall be required to draw up only the securities note and the summary, where applicable, when securities are offered to the public or admitted to trading on a regulated market. In that case, the securities note and the summary shall be subject to a separate approval.

...

...

Base prospectus

- 2.2.3 ~~EU~~ Article 8 of the *Prospectus Regulation* provides for the content of the *base prospectus*:

Article 8

The base prospectus

...

5. Where the final terms are neither included in the base prospectus, nor in a supplement, the issuer shall make them available to the public in accordance with the arrangements set out in Article 21 and file them with the competent authority ~~of the home Member State~~, as soon as practicable upon offering securities to the public and, where possible, before the beginning of the offer of securities to the public or admission to trading on a regulated market.

...

...

- 2.2.4 ~~EU~~ Chapter III of the *PR Regulation* provides for the format of a *prospectus*:
UK

Article 24

Format of a prospectus

...

4. Where a universal registration document is used for the purposes of Article 9(12) of [the *Prospectus Regulation*], the information contained in that universal registration document shall be presented in accordance with Commission Delegated Regulation (EU) 2019/815.
5. Where the order of the information referred to in point (d) of paragraph 1 and in point (c) of paragraph 2 is different from the order in which that information is presented in the Annexes to this Regulation, the competent authorities authority may request to provide a list of cross references indicating the items of those Annexes to which that information corresponds.

...

...

Article 25

Format of a base prospectus

...

5. Where a universal registration document is used for the purposes of Article 9(12) of [the *Prospectus Regulation*], the information contained in that universal registration document shall be presented in accordance with Delegated Regulation (EU) 2019/815.
6. Where the order of the information referred to in point (d) of paragraphs 1 and 2 is different from the order in which that information is presented in the Annexes to this Regulation, the competent authorities authority may request to provide a list of cross references indicating the items of those Annexes to which that information corresponds.

...

...

2.3 Minimum information requirements

Minimum information

- 2.3.1 ~~EU~~ Chapter II of the *PR Regulation* provides for the minimum information to be included in a *prospectus*:

...

Section 3**Additional information to be included in the prospectus**

...

~~Article 11~~~~**Registration document for non-equity securities issued by third countries and their regional and local authorities**~~

~~By way of derogation from Articles 7 and 8, a registration document that is drawn up for non-equity securities issued by third countries or their regional or local authorities, shall contain the information referred to in Annex 10.~~

...

Article 23

...

Article 23a**Historical financial information**

1. In relation to any financial year beginning on or before the day on which IP completion day falls, issuers established in the United Kingdom must present their historical financial information in accordance with—
 - (a) International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
 - (b) if those standards are not applicable, UK accounting standards.
2. In relation to any financial year beginning on or before the day on which IP completion day falls, issuers established in an EEA State must present their historical financial information in accordance with—
 - (a) International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union; or

- (b) if not applicable, national accounting standards of that EEA State.
3. In relation to any financial year beginning on or before the day on which IP completion day falls, issuers established outside the United Kingdom and the EEA States must present their historical financial information in accordance with one of the following accounting standards—
- (a) International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- (b) International Financial Reporting Standards provided that the notes to the audited financial statements that form part of the historical financial information contain an explicit and unreserved statement that these financial statements comply with International Financial Reporting Standards in accordance with IAS 1 Presentation of Financial Statements;
- (c) Generally Accepted Accounting Principles of Japan;
- (d) Generally Accepted Accounting Principles of the United States of America.
- (e) Generally Accepted Accounting Principles of the People's Republic of China;
- (f) Generally Accepted Accounting Principles of Canada;
- (g) Generally Accepted Accounting Principles of the Republic of Korea.
4. In relation to a financial year beginning after the day on which IP completion day falls, issuers established in the United Kingdom, must present their historical financial information in accordance with—
- (a) [UK-adopted IFRS]; or
- (b) if those standards are not applicable, UK accounting standards.
5. In relation to a financial year beginning after the day on which IP completion day falls, issuers established in a country outside the United Kingdom must present their historical financial information in accordance with—
- (a) [UK-adopted IFRS];

(b) one of the accounting standards referred to in Article 23a(3);
or

(c) national accounting standards of a country that are equivalent to UK-adopted international accounting standards in accordance with a determination made by the Treasury in regulations under Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to [the PD] and [the Transparency Directive].

6. For an issuer established in a country outside the United Kingdom, if such financial information is not prepared in accordance with the required standards, the financial statements must be restated in compliance with [UK-adopted IFRS].

Final offer price and amount of securities not included in prospectus

2.3.2 ~~EU~~ UK Article 17 of the *Prospectus Regulation* provides for where the final offer price and amount of *transferable securities* are not included in the *prospectus*:

Article 17

Final offer price and amount of securities

...

2. The final offer price and amount of securities shall be filed with the competent authority ~~of the home Member State~~ and made available to the public in accordance with the arrangements set out in Article 21(2).

Risk factors

2.3.3 ~~EU~~ UK Article 16(1) to (3) of the *Prospectus Regulation* provides for the format and content of the risk factors to be included in a *prospectus*:

Article 16

Risk factors

...

2. Risk factors shall also include those resulting from the level of subordination of a security and the impact on the expected size or timing of payments to holders of the securities in the event of bankruptcy, or any other similar procedure, including, where relevant, the insolvency of a credit institution or its resolution or

restructuring in accordance with the UK law which implemented [RRD].

...

4. ~~In order to encourage appropriate and focused disclosure of risk factors, ESMA shall develop guidelines to assist competent authorities in their review of the specificity and materiality of risk factors and of the presentation of risk factors across categories depending on their nature.~~

[**Note:** *ESMA guidelines on risk factors* drafted pursuant to article 16(4) of the *EU Prospectus Regulation*.]

Hyperlinks

- 2.3.4 ~~EU~~ Article 10(1) of the *Prospectus RTS Regulation* addresses hyperlinks within ~~UK~~ *prospectuses*:

...

2.4 Universal registration document

Universal registration document

- 2.4.1 ~~EU~~ Article 9(1) to (13) of the *Prospectus Regulation* provides:
~~UK~~

Article 9

The universal registration document

...

2. Any issuer that chooses to draw up a universal registration document every financial year shall submit it for approval to the competent authority ~~of its home Member State~~ in accordance with the procedure set out in Article 20(2) and (4).

...

~~Where the issuer referred to in the second subparagraph of this paragraph requests the notification of its universal registration document pursuant to Article 26, it shall submit its universal registration document for approval, including any amendments thereto which were previously filed.~~

3. Issuers which, prior to 21 July 2019, have had a registration document, drawn up in accordance with Annex I to [the *PD Regulation*], approved by ~~a~~ the competent authority for at least two consecutive financial years and have thereafter filed, in accordance with Article 12(3) of [the *PD*], or got approved such a registration document every year, shall be allowed to file a universal registration

document without prior approval in accordance with the second subparagraph of paragraph 2 of this Article from 21 July 2019.

...

5. ~~The universal registration document shall comply with the language requirements laid down in Article 27.~~

...

11. An issuer fulfilling the conditions set out in the first or second subparagraph of paragraph 2 or in paragraph 3 of this Article shall have the status of frequent issuer and shall benefit from the faster approval process in accordance with Article 20(6), provided that:

- (a) upon the filing or submission for approval of each universal registration document, the issuer provides written confirmation to the competent authority that, to the best of its knowledge, all regulated information which it was required to disclose under the UK law which implemented [the Transparency Directive], if applicable, and under ~~[the Market Abuse Regulation]~~ Regulation (EU) No 596/2014 has been filed and published in accordance with those acts over the last 18 months or over the period since the obligation to disclose regulated information commenced, whichever is the shorter; and

...

12. Where the universal registration document filed with or approved by the competent authority is made public at the latest four months after the end of the financial year, and contains the information required to be disclosed in the annual financial report referred to in ~~Article 4 of [the Transparency Directive]~~ [DTR 4.1], the issuer shall be deemed to have fulfilled its obligation to publish the annual financial report required under that Article.

Where the universal registration document, or an amendment thereto, is filed or approved by the competent authority and made public at the latest three months after the end of the first six months of the financial year, and contains the information required to be disclosed in the half-yearly financial report referred to in ~~Article 5 of [the Transparency Directive]~~ [DTR 4.2], the issuer shall be deemed to have fulfilled its obligation to publish the half-yearly financial report required under that Article.

...

13. ~~Paragraph 12 shall only apply where the home Member State of the issuer for the purposes of this Regulation is also the home Member State for the purposes of [the Transparency Directive], and where~~

~~the language of the universal registration document fulfils the conditions set out in Article 20 of that Directive.~~

Minimum information

- 2.4.2 ~~EU~~ Article 3 of the *PR Regulation* provides for the minimum information to be included in a *universal registration document*. Article 3 is reproduced in *PRR 2.3.1*~~EU~~UK.

2.5 Simplified prospectus regime for secondary issuances

Simplified prospectus

- 2.5.1 ~~EU~~ Article 14(1) of the *Prospectus Regulation* provides:
UK

...

- 2.5.2 ~~EU~~ Article 14(2) of the *Prospectus Regulation* provides for the content of a simplified *prospectus*:
UK

...

2. By way of derogation from Article 6(1), and without prejudice to Article 18(1), the simplified prospectus shall contain the relevant reduced information which is necessary to enable investors to understand:

...

The information contained in the simplified prospectus shall be written and presented in an easily analysable, concise and comprehensible form and shall enable investors to make an informed investment decision. ~~It shall also take into account the regulated information that has already been disclosed to the public pursuant to [the *Transparency Directive*], where applicable, and [the *Market Abuse Regulation*].~~

It shall also take account the regulated information that has already been disclosed to the public pursuant to—

- (i) provisions of the law of the United Kingdom relied on at the time of the disclosure in question to implement [the *Transparency Directive*], where applicable, in relation to disclosures made before IP completion day,
- (ii) the UK law which implemented [the *Transparency Directive*], where applicable, in relation to disclosures after IP completion day, and
- (iii) Regulation (EU) No 596/2014.

...

Reduced information in a simplified prospectus

- 2.5.3 ~~EU~~ UK Articles 4, 9, 13 and 17 of the *PR Regulation* specify the reduced information to be included in a simplified *prospectus*. These are reproduced in *PRR 2.3.1*~~EU~~UK.

2.6 ~~EU~~ UK Growth prospectus2.6.1 ~~EU~~ UK Growth prospectus

~~EU~~ UK Article 15(1) of the *Prospectus Regulation* provides:

Article 15

~~EU~~ UK Growth prospectus

1. The following persons may choose to draw up ~~an EU~~ a UK Growth prospectus under the proportionate disclosure regime set out in this Article in the case of an offer of securities to the public provided that they have no securities admitted to trading on a regulated market:

...

- (c) issuers, other than those referred to in points (a) and (b), where the offer of securities to the public is of a total consideration in the ~~Union~~ United Kingdom that does not exceed EUR 20 000 000 calculated over a period of 12 months, and provided that such issuers have no securities traded on an MTF and have an average number of employees during the previous financial year of up to 499;

...

~~An EU~~ A UK Growth prospectus under the proportionate disclosure regime shall be a document of a standardised format, written in a simple language and which is easy for issuers to complete. It shall consist of a specific summary based on Article 7, a specific registration document and a specific securities note. The information in the ~~UK~~EU Growth prospectus shall be presented in a standardised sequence in accordance with the ~~delegated act~~ regulations referred to in paragraph 2.

Reduced information in ~~an EU~~ UK Growth prospectus

- 2.6.2 ~~EU~~ UK Chapter IV of the *PR Regulation* specifies the reduced information to be included in ~~an EU~~ UK Growth *prospectus*:

Article 28

~~EU~~ UK Growth registration document for equity securities

...

Article 29

~~EU~~ UK Growth registration document for non-equity securities

...

Article 30

~~EU~~ UK Growth securities note for equity securities

...

Article 31

~~EU~~ UK Growth securities note for non-equity securities

...

Article 32

Format of the ~~EU~~ UK Growth prospectus

1. ~~An EU~~ A UK Growth prospectus that is drawn up as a single document shall be composed of the following elements in the following order:
 - ...
 - (d) where the ~~EU~~ UK Growth prospectus is drawn up in the form of a base prospectus, a general description of the offering programme;
 - ...
2. Where ~~an EU~~ a UK Growth prospectus is drawn up as separate documents, the ~~EU~~ UK Growth registration document and the ~~EU~~ UK Growth securities note shall contain the following elements in the following order:
 - (a) ~~EU~~ UK Growth registration document:
 - ...
 - (iii) any other information referred to in Annex 24 or 25 to this Regulation that, depending on the type of securities, is to be included in the ~~EU~~ UK Growth registration document following the order of the sections set out in those Annexes.

(b) ~~EU~~ UK Growth securities note:

...

(iv) any other information referred to in Annex 26 or 27 to this Regulation that, depending on the type of securities, is to be included in the ~~EU~~ UK Growth securities note following the order of the sections set out in those Annexes.

3. ~~An EU A~~ UK Growth prospectus drawn up either as a single document or as separate documents may take the form of a base prospectus.

...

Article 33

Specific summary for the ~~EU~~ UK Growth prospectus

1. The specific summary for the ~~EU~~ UK Growth prospectus shall provide the key information that investors need to understand the nature and the risks of the issuer, of the guarantor and of the securities that are being offered.

...

3. The specific summary shall be consistent with the other parts of the ~~EU~~ UK Growth prospectus.

...

6. The specific summary shall not contain cross-references to other parts of the ~~EU~~ UK Growth prospectus or incorporate information by reference.

...

9. Where securities are also subject to Regulation (EU) No 1286/2014 of the European Parliament and of the Council, the competent authority ~~of the home Member State~~ may require the SMEs, the issuers and offerors referred to in Article 15(1) of [the *Prospectus Regulation*] to substitute the information referred to in section 3 of Annex 23 to this Regulation with the information set out in points (c) to (i) of Article 8(3) of Regulation (EU) No 1286/2014.

10. Where the substitution referred to in paragraph 9 is not required by the competent authority ~~of the home Member State~~, the SMEs, the issuers and offerors referred to in Article 15(1) of [the *Prospectus Regulation*] may substitute the information referred to in section 3

of Annex 23 to this Regulation with the information set out in points (c) to (i) of Article 8(3) of Regulation (EU) No 1286/2014.

...

Article 34

Supplements to the specific summary for the ~~EU~~ UK Growth prospectus

Where the specific summary of ~~an EU~~ a UK Growth prospectus is to be supplemented in accordance with Article 23 of [the *Prospectus Regulation*], the new information shall be integrated in the specific summary of that ~~EU~~ UK Growth prospectus in a way that enables investors to easily identify the changes. The new information shall be integrated in the specific summary of the ~~EU~~ UK Growth prospectus either by producing a new specific summary or by supplementing the original specific summary.

2.7 Incorporation by reference

Incorporation by reference

- 2.7.1 ~~EU~~ UK Article 19(1) to (3) of the *Prospectus Regulation* provides for how information may be incorporated by reference in a *prospectus*:

Article 19

Incorporation by reference

1. Information may be incorporated by reference in a prospectus where it has been previously or simultaneously published electronically, drawn up in a language fulfilling the requirements of Article 27 as it had effect immediately before IP completion day where the information was published before IP completion day, and where it is contained in one of the following documents:
 - (a) ~~documents which have been approved by a competent authority, or filed with it, in accordance with this Regulation or [the PD]; a document which has—~~
 - (i) before IP completion day, been approved by or filed with a competent authority (as defined in this Regulation as it had effect immediately before IP completion day) in accordance with this Regulation (as it had effect immediately before IP completion day), or a competent authority (as defined in [the PD]) in accordance with that Directive; or
 - (ii) on or after IP completion day, been approved by or filed with the competent authority in accordance with this Regulation or the UK law implementing [the PD];

...

- (j) annual reports or any disclosure of information required under ~~Articles 22 and 23 of [AIFMD]~~;
- provisions of the law of the United Kingdom relied on at the time of the disclosure in question to implement Articles 22 and 23 of [AIFMD], in relation to disclosures made before IP completion day.
 - the UK law which implemented Articles 22 and 23 of [AIFMD], in relation to disclosures after IP completion day.

...

...

2.8 Omission of information

Omission of information

- 2.8.1 ~~EU~~ UK Article 18(1) to (3) of the *Prospectus Regulation* provides for the circumstances in which certain information may be omitted from the *prospectus*:

Article 18

Omission of information

1. The competent authority ~~of the home Member State~~ may authorise the omission from the prospectus, or constituent parts thereof, of certain information to be included therein, where it considers that any of the following conditions is met:

...

~~The competent authority shall submit a report to ESMA on a yearly basis regarding the information the omission of which it has authorised.~~

...

3. Where securities are guaranteed by a ~~Member State~~ state, an issuer, an offeror or a person asking for admission to trading on a regulated market, when drawing up a prospectus in accordance with Article 4, shall be entitled to omit information pertaining to that ~~Member State~~ state.

...

3 Approval and publication of prospectus

3.1 Approval of prospectus

Criteria for scrutiny and approval of prospectus

- 3.1.1 ~~EU~~ Chapter V of the *PR Regulation* sets out requirements regarding scrutiny and approval of the *prospectus* and review of the *universal registration document*:

...

Article 36

Criteria for the scrutiny of the completeness of the information contained in the prospectus

1. For the purposes of scrutinising the completeness of the information in a draft prospectus, the competent ~~authorities~~ authority shall consider all of the following:

...

2. For the purposes of point (b) of paragraph 1, the competent ~~authorities~~ authority may require the issuer to include, modify or remove information from a draft prospectus, taking into account the following:

...

Article 37

Criteria for the scrutiny of the comprehensibility of the information contained in the prospectus

1. For the purposes of scrutinising the comprehensibility of the information in a draft prospectus, the competent ~~authorities~~ authority shall consider all of the following:

...

However, the competent ~~authorities~~ authority shall not be required to consider points (g), (h) and (i) where a draft prospectus is to be used exclusively for the purposes of admission to trading on a regulated market of non-equity securities for which a summary is not required by Article 7 of [the *Prospectus Regulation*].

2. For the purposes of the first paragraph, the competent ~~authorities~~ authority may, on a case-by-case basis and in addition to the information referred to in Article 7 of [the *Prospectus Regulation*] and Article 33 of this Regulation, require that certain information provided in the draft prospectus be included in the summary.

...

Article 39

Scrutiny of the information contained in the prospectus of specialist issuers

~~Competent authorities~~ The competent authority may require additional information to be included in the prospectus based on the activities of the specialist issuers falling under one of the categories set out in Annex 29.

...

Article 41

Proportionate approach in the scrutiny of draft prospectuses and review of the universal registration document

1. Where a first draft of a prospectus that is submitted to ~~a~~ the competent authority is substantially similar to a prospectus that the ~~same~~ competent authority has already approved, and where that draft prospectus highlights all changes made to that approved prospectus, the competent authority shall only be required to apply the criteria laid down in Articles 36, 37 and 38 to scrutinise those changes and any other information affected by them.
2. For the purposes of scrutinizing a universal registration document filed without prior approval that has already been reviewed, or an amendment to such a document, ~~the competent authorities~~ authority shall only be required to apply the criteria laid down in Article 36, 37 and 38 to those parts of the universal registration document or the amendment that have not been reviewed.
3. ~~Where a first draft of a prospectus that incorporates information by reference to a document that has been approved in accordance with [the *Prospectus Regulation*] or in accordance with the national provisions transposing [the *PD*], competent authorities shall only be required to apply the criteria laid down in Article 38 of this Regulation to scrutinise that information.~~

Where a first draft of a prospectus that incorporates information by reference to a document that has been approved—

(a) before IP completion day in accordance with [the *EU Prospectus Regulation*] or in accordance with the UK law which implemented [the *PD*] by a competent authority (as defined in [the *EU Prospectus Regulation*] as it had effect immediately before IP completion day); or

(b) on or after IP completion day, by the competent authority in accordance with [the *Prospectus Regulation*],

the competent authority shall only be required to apply the criteria laid down in Article 38 of this Regulation to scrutinise that information.

4. When applying paragraphs 1, 2 or 3, the competent authorities authority shall request the issuer, offeror or person asking for admission to trading on a regulated market to confirm that all information in the final draft of the prospectus or universal registration document is up-to-date and contains all the information referred to in the Annexes to this Regulation applicable to that prospectus or universal registration document.

...

Article 42

Submission of an application for approval of a draft prospectus or filing of a universal registration document or of amendments thereto

...

2. The following information shall also be submitted to the competent authority in searchable electronic format via electronic means:

...

(e) ~~any request to the competent authority to make a notification as referred to in Article 25(1) of [the *Prospectus Regulation*];~~

(f) ~~any request to the competent authority to make a notification as referred to in Article 26(2) of [the *Prospectus Regulation*];~~

...

(h) a confirmation that, to the best of the knowledge of the issuer, all regulated information which was required to be disclosed under ~~the national provisions transposing Directive 2004/109/EC of the European Parliament and of the Council~~ the UK law which implemented [the *Transparency Directive*], where applicable, and under ~~[the *Market Abuse Regulation*]~~ Regulation (EU) No 596/2014 of the European Parliament and of the Council, has been filed and published in accordance with those acts over the last 18 months or over the period since the obligation to disclose that regulated information commenced, whichever is the shorter, where the issuer is submitting for approval a draft universal registration document or filing a universal registration document without prior approval and seeks to obtain the status of frequent issuer;

...

...

Article 43

Changes to a draft prospectus during the approval procedure

1. Each version of the draft prospectus submitted after the first draft prospectus shall highlight all changes made to the preceding draft and shall be accompanied by an unmarked draft. ~~Competent authorities~~ The competent authority shall accept marked extracts of the preceding draft prospectus where only limited changes have been made.
2. Where ~~the competent authorities~~ the competent authority, in accordance with Article 45(2) of this Regulation, have notified the issuer, offeror or person asking for admission to trading on a regulated market that the draft prospectus does not meet the standards of completeness, comprehensibility and consistency as referred to in Article 20(4) of [the *Prospectus Regulation*], the subsequently submitted draft of the prospectus shall be accompanied by an explanation as to how the outstanding issues notified by ~~the competent authorities~~ the competent authority have been addressed.

...

Article 45

Acknowledgment of the receipt of an application for approval of a draft prospectus, or of the filing of a universal registration document or of an amendment thereto, and processing of an application for approval of a draft prospectus

1. ~~Competent authorities~~ The competent authority shall acknowledge receipt of the initial application for approval of a draft prospectus or of the filing of a universal registration document as referred to in the second subparagraph of Article 9(2) of [the *Prospectus Regulation*], or of an amendment to that universal registration document in writing and by electronic means as soon as possible and no later than by close of business on the second working day following the receipt of the application or filing.

...

2. Where the draft prospectus does not meet the standards of completeness, comprehensibility and consistency necessary for its approval or where changes or supplementary information are needed, ~~the competent authorities~~ the competent authority shall inform the issuer, offeror or person asking for admission to trading on a regulated market thereof in writing and by electronic means.

Where the universal registration document referred to in the second subparagraph of Article 9(2) of [the *Prospectus Regulation*], or an

amendment to that universal registration document, does not meet the standards of completeness, comprehensibility and consistency or where amendments or supplementary information are needed, the competent authorities authority shall inform the issuer thereof in writing and by electronic means. Where the shortcoming must be addressed without undue delay, as required by the third subparagraph of Article 9(9) of [the *Prospectus Regulation*], the competent authority shall inform the issuer thereof.

...

Time limits for approval of prospectus

- 3.1.2 EU Article 20(2) to (6) of the *Prospectus Regulation* sets out the time limits for the approval of a *prospectus*:
UK

Article 20

Scrutiny and approval of the prospectus

...

2. ...

~~The competent authority shall notify ESMA of the approval of the prospectus and any supplement thereto as soon as possible and in any event by no later than the end of the first working day after that approval is notified to the issuer, the offeror or the person asking for admission to trading on a regulated market.~~

...

6. By way of derogation from paragraphs 2 and 4, the time limits set out in the first subparagraph of paragraph 2 and paragraph 4 shall be reduced to five working days for a prospectus consisting of separate documents drawn up by frequent issuers referred to in Article 9(11); ~~including frequent issuers using the notification procedure provided for in Article 26.~~ The frequent issuer shall inform the competent authority at least five working days before the date envisaged for the submission of an application for approval.

...

...

Timeframe for submission

- 3.1.6 R (1) The *applicant* must submit to the *FCA* by the date specified in paragraph (2):
- (a)
- (i) a completed Form A; ~~and~~

(ii) ~~a completed Publication Form;~~

[**Note:** Article 42(2)(j) of the *PR Regulation*. ~~These forms are~~ This form is available on the *FCA* website, see <https://www.fca.org.uk/markets/ukla/forms> .]

...

...

(3) The *applicant* must submit the final version of the draft *prospectus* and the additional information set out in article 44 of the *PR Regulation* to the *FCA* before midday on the day on which approval is required to be granted.

[**Note:** Article 44 of the *PR Regulation* is reproduced for the convenience of readers in *PRR* 3.1.1 ~~EU~~ UK.]

...

Request for certificate of approval

3.1.8 G ~~If an *applicant* wishes the *FCA* to provide a certificate of approval to another competent authority at the time the prospectus is approved, it should note the requirements set out in article 25 of the *Prospectus Regulation*. As provided by article 25 of the *Prospectus Regulation*, a request may still be submitted to the *FCA* after the *prospectus* has been approved (*PRR* 5.2.3 G provides *guidance* for making such a request).~~

[deleted]

...

Prospectus not to be published until approved

3.1.10 ~~EU~~ UK Article 20(1) of the *Prospectus Regulation* provides:

Article 20

Scrutiny and approval of the prospectus

1. A prospectus shall not be published unless the ~~relevant~~ competent authority has approved it, or all of its constituent parts in accordance with Article 10.

...

~~Transfer to another competent authority~~

3.1.12 EU Article 20(8) of the *Prospectus Regulation* provides for the transfer of approval of the *prospectus* to another *EEA State*:

Article 20

Scrutiny and approval of the prospectus

...

8. ~~On request of the issuer, the offeror or the person asking for admission to trading on a regulated market, the competent authority of the home Member State may transfer the approval of a prospectus to the competent authority of another Member State, subject to prior notification to ESMA and the agreement of that competent authority. The competent authority of the home Member State shall transfer the documentation filed, together with its decision to grant the transfer, in electronic format, to the competent authority of the other Member State on the date of its decision. Such a transfer shall be notified to the issuer, the offeror or the person asking for admission to trading on a regulated market within three working days from the date of the decision taken by the competent authority of the home Member State. The time limits set out in the first subparagraph of paragraph 2 and paragraph 3 shall apply from the date the decision was taken by the competent authority of the home Member State. Article 28(4) of Regulation (EU) No 1095/2010 shall not apply to the transfer of the approval of the prospectus in accordance with this paragraph. Upon completion of the transfer of the approval, the competent authority to whom the approval of the prospectus has been transferred shall be deemed to be the competent authority of the home Member State for that prospectus for the purposes of this Regulation.~~

[deleted]

- 3.1.13 R (1) ~~A person seeking to have the function of approving a prospectus transferred to the competent authority of another EEA State must make a written request to the FCA at least 10 working days before the date the transfer is sought. [deleted]~~
- (2) The request must:
- (a) ~~set out the reasons for the proposed transfer;~~
 - (b) ~~state the name of the competent authority to whom the transfer is sought; and~~
 - (c) ~~include a copy of the draft prospectus. [deleted]~~

Service of Notice Regulations

- 3.1.14 G Regulation 7 of the Financial Services and Markets Act 2000 (Service of Notice Regulations) 2001 (SI 2001/1420) contains provisions relating to the possible methods of serving documents on the FCA. Regulation 7 does not

apply to the submission of a draft *prospectus* or *listing particulars* to the FCA for approval because of the provisions set out in PRR 3.1.1 ~~EU~~ UK.

3.2 Publication of prospectus

Publication

- 3.2.1 ~~EU~~ UK Article 21(1) of the *Prospectus Regulation* provides for the publication of the *prospectus*:

...

Method of publishing

- 3.2.2 ~~EU~~ UK Article 21(2) to (4) of the *Prospectus Regulation* provides for the methods by which the *prospectus* is to be published:

...

Other publication requirements

- 3.2.3 ~~EU~~ UK Article 21(7) to (11) of the *Prospectus Regulation* provides for further requirements for publication:

Article 21

Publication of the prospectus

...

7. All prospectuses approved shall remain publicly available in electronic form for at least 10 years after their publication on the websites referred to in ~~paragraphs 2 and 6~~ paragraph 2.

...

...

10. The text and the format of the prospectus, and any supplement to the prospectus made available to the public, shall at all times be identical to the original version approved by the competent authority ~~of the home Member State~~.
11. A copy of the prospectus on a durable medium shall be delivered to any potential investor, upon request and free of charge, by the issuer, the offeror, the person asking for admission to trading on a regulated market or the financial intermediaries placing or selling the securities. In the event that a potential investor makes a specific demand for a paper copy, the issuer, the offeror, the person asking for admission to trading on a regulated market or a financial intermediary placing or selling the securities shall deliver a printed version of the prospectus. Delivery shall be limited to jurisdictions in which the offer of securities to the public is made ~~or where the~~

~~admission to trading on a regulated market is taking place under this Regulation.~~

Publication on website

- 3.2.4 ~~EU~~ Article 10(2) of the *Prospectus RTS Regulation* provides that:
UK

Article 10

Publication of the prospectus

...

2. Where a prospectus is published in accordance with Article 21(2) of [the *Prospectus Regulation*], measures shall be taken on websites used for the publication of the prospectus to avoid targeting residents of ~~Member States~~ or third countries other than those where the securities are offered to the public.

Publication by the ~~competent authority~~ FCA

- 3.2.5 ~~EU~~ Article 21(5) (first sub-paragraph) of the *Prospectus Regulation* sets out the publication requirements applicable to the *FCA* as the competent authority:
UK

Article 21

Publication of the prospectus

...

5. The competent authority ~~of the home Member State~~ shall publish on its website all the prospectuses approved or at least the list of prospectuses approved, including a hyperlink to the dedicated website sections referred to in paragraph 3 of this Article ~~as well as an identification of the host Member State or States where prospectuses are notified in accordance with Article 25~~. The published list, including the hyperlinks, shall be kept up-to-date and each item shall remain on the website at least for the period referred to in paragraph 7 of this Article.

...

~~Issuers required to submit data~~

- 3.2.7 R (1) ~~An issuer must provide to the FCA any information that the FCA requires in order to comply with its obligations to provide information to ESMA under article 21(5) of the Prospectus Regulation or any regulatory technical standards adopted under article 21(12) of that regulation.~~

~~[Note: Annex VII (Machine Readable Data) of the Prospectus RTS Regulation, see <https://eur-lex.europa.eu/legal>~~

~~content/EN/TXT/?uri=uriserv:OJ.L_.2019.166.01.0001.01.ENG&to
c=OJ:L:2019:166:TOC] [deleted]~~

- (2) ~~The *issuer* must provide the information referred to in paragraph (1) to the *FCA* as soon as possible and~~
- ~~(a) for information relating to a *prospectus*, before the *prospectus* is approved by the *FCA*;~~
 - ~~(b) for information relating to all other documents, no later than when the relevant document is submitted to the *FCA*.
[deleted]~~

- 3.2.8 R ~~The *issuer* must submit the information referred to *PRR 3.2.7R* using electronic means and the format made available by the *FCA*.
[**Note:** Information on the required data and format of submission can be found on the Markets section of the *FCA* website.]
[deleted]~~

3.3 Advertisements

Advertisements

- 3.3.1 ~~EU~~ Article 22(1) to (5) of the *Prospectus Regulation* provides for requirements applicable to *advertisements*:
UK
...

- 3.3.2 ~~EU~~ Chapter IV of the *Prospectus RTS Regulation* provides that:
UK
...

Article 14

Required content

1. Advertisements disseminated to potential retail investors shall include the following elements:
...
 - (b) a statement that the approval of the prospectus should not be understood as an endorsement of the securities offered or admitted to trading on a regulated market where the advertisement contains a reference to a prospectus approved by ~~a competent authority~~ the FCA;
 - (c) a recommendation that potential investors read the prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the

decision to invest in the securities where the advertisement contains a reference to a prospectus approved by a competent authority the FCA;

- (d) the comprehension alert required pursuant to point (b) of Article 8(3) of Regulation (EU) No 1286/2014 of the European Parliament and of the Council¹² where:
 - (i) the advertisement relates to complex securities other than the financial instruments referred to in ~~points (i), (ii) and (vi) of Article 25(4)(a) of Directive 2014/65/EU of the European Parliament and of the Council~~[COBS 10A.4.1R(2)(a), (b) and (d)] and;

...

...

Article 17

~~Procedure for the cooperation between competent authorities~~

- ~~1. Where the competent authority of a Member State in which an advertisement is disseminated believes that the content of that advertisement is inconsistent with the information in the prospectus, it may request the assistance of the competent authority of the home Member State. Where requested, the competent authority in which the advertisement is disseminated shall communicate the following to the competent authority of the home Member State:

 - (a) ~~its reasons for believing that the content of the advertisement is inconsistent with the information in the prospectus;~~
 - (b) ~~the relevant advertisement and, where necessary, a translation of the advertisement in the language of the prospectus or in a language customary in the sphere of international finance.~~~~
- ~~2. The competent authority of the home Member State shall transmit to the competent authority in which the advertisement is disseminated as soon as possible the results of its assessment of the consistency of the advertisement with the information in the prospectus.~~

3.4 Supplementary prospectus

Supplementary prospectus

- 3.4.1 ~~EU~~ UK Article 23(1) to (6) of the *Prospectus Regulation* provides for requirements applicable to *supplementary prospectuses*:

Article 23

Supplements to the prospectus

1. ...

Such a supplement shall be approved in the same way as a prospectus in a maximum of five working days and published in accordance with at least the same arrangements as were applied when the original prospectus was published in accordance with Article 21. The summary, ~~and any translations thereof,~~ shall also be supplemented, where necessary, to take into account the new information included in the supplement.

...

3.4.2 EU Chapter V of the *Prospectus RTS Regulation* provides for further
UK requirements applicable to *supplementary prospectuses*:

Article 18

Publication of a supplement to the prospectus

1. A supplement to the prospectus shall be published where:

...

(e) ~~third parties make a new takeover bid as defined in Article 2(1)(a) of Directive 2004/25/EC of the European Parliament and of the Council paragraph 20(1) of Schedule 1C of the Companies Act 2006 or the result of any takeover bid becomes available in respect of any of the following type of securities:~~

...

...

~~(g) an issuer is seeking admission to trading on at least one additional regulated market in at least one additional Member State or is intending to make an offer of securities to the public in at least one additional Member State that is not mentioned in the prospectus;~~

...

4 Use of languages and third country issuers

4.1 Use of languages

Language

4.1.1 EU Article 27 of the *Prospectus Regulation* provides:

Article 27

Use of language

1. Where an offer of securities to the public is made or admission to trading on a regulated market is sought only in the home Member State, the prospectus shall be drawn up in a language accepted by the competent authority of the home Member State.
2. Where an offer of securities to the public is made or admission to trading on a regulated market is sought in one or more Member States excluding the home Member State, the prospectus shall be drawn up either in a language accepted by the competent authorities of those Member States or in a language customary in the sphere of international finance, at the choice of the issuer, the offeror or the person asking for admission to trading on a regulated market.

The competent authority of each host Member State shall require that the summary referred to in Article 7 be available in its official language, or at least one of its official languages, or in another language accepted by the competent authority of that Member State, but it shall not require the translation of any other part of the prospectus.

For the purpose of the scrutiny and approval by the competent authority of the home Member State, the prospectus shall be drawn up either in a language accepted by that authority or in a language customary in the sphere of international finance, at the choice of the issuer, the offeror or the person asking for admission to trading on a regulated market.

3. Where an offer of securities to the public is made or an admission to trading on a regulated market is sought in more than one Member State including the home Member State, the prospectus shall be drawn up in a language accepted by the competent authority of the home Member State, and shall also be made available either in a language accepted by the competent authorities of each host Member State or in a language customary in the sphere of international finance, at the choice of the issuer, the offeror, or the person asking for admission to trading on a regulated market.

The competent authority of each host Member State shall require that the summary referred to in Article 7 be available in its official language or at least one of its official languages, or in another language accepted by the competent authority of that Member State, but it shall not require the translation of any other part of the prospectus.

4. The final terms and the summary of the individual issue shall be drawn up in the same language as the language of the approved base prospectus.

When, in accordance with Article 25(4), the final terms are communicated to the competent authority of the host Member State

or, if there is more than one host Member State, to the competent authorities of the host Member States, the following language rules shall apply to the final terms and the summary annexed thereto:

- (a) ~~the summary of the individual issue annexed to the final terms shall be available in the official language or at least one of the official languages of the host Member State, or in another language accepted by the competent authority of the host Member State in accordance with the second subparagraph of paragraph 2 or the second subparagraph of paragraph 3, as applicable;~~
- (b) ~~where the base prospectus is to be translated pursuant to paragraph 2 or 3, as applicable, the final terms and the summary of the individual issue annexed thereto, shall be subject to the same translation requirements as the base prospectus.~~

5. ~~Where a prospectus relates to the admission to trading on a regulated market of non-equity securities and admission to trading on a regulated market is sought in one or more Member States, the prospectus shall be drawn up either in a language accepted by the competent authorities of the home and host Member States or in a language customary in the sphere of international finance, at the choice of the issuer, the offeror or the person asking for admission to trading on a regulated market, provided that either:~~

- (a) ~~such securities are to be traded only on a regulated market, or a specific segment thereof, to which only qualified investors can have access for the purposes of trading such securities; or~~
- (b) ~~such securities have a denomination per unit of at least EUR 100 000.~~

[deleted]

English language

- 4.1.2 R ~~For the purposes of article 27 of the *Prospectus Regulation*, English is the language accepted by the *FCA* where the *United Kingdom* is a *Home State* or *Host State*. A prospectus must be drawn up in English.~~

Language customary in the sphere of international finance

- 4.1.3 G ~~The *FCA* will consider a language to be customary in the sphere of international finance if documents in that language are accepted for scrutiny and filing in at least three international capital markets in each of the following:~~
- (1) ~~Europe;~~

- (2) Asia; and
- (3) the Americas.

[deleted]

Summary to be translated into English

- 4.1.4 R If:
- (1) ~~an offer is made or admission to trading is requested in the United Kingdom;~~
 - (2) ~~a prospectus relating to the transferable securities has been approved by the competent authority of another EEA State and the prospectus contains a summary; and~~
 - (3) ~~the prospectus is drawn up in a language other than English;~~
- ~~the offeror must ensure that the summary is translated into English.~~
- [~~Note: Article 27(2) and (3) of the Prospectus Regulation~~]
- [deleted]

4.2 Third country issuers

Approval of prospectus drawn up in accordance with the Prospectus Regulation

- 4.2.1 EU Article 28 of the *Prospectus Regulation* provides:
UK

Article 28

Offer of securities to the public or admission to trading on a regulated market made under a prospectus drawn up in accordance with this Regulation

Where a third country issuer intends to offer securities to the public in the ~~Union~~ United Kingdom or to seek admission to trading of securities on a regulated market established in the ~~Union~~ United Kingdom under a prospectus drawn up in accordance with this Regulation, it shall obtain approval of its prospectus, in accordance with Article 20, from the competent authority ~~of its home Member State~~.

Once a prospectus is approved in accordance with the first subparagraph, it shall entail all the rights and obligations provided for a prospectus under this Regulation and the prospectus and the third country issuer shall be subject to all of the provisions of this Regulation under the supervision of the competent authority ~~of the home Member State~~.

Approval of prospectus drawn up in accordance with third country laws

2020/47

- 4.2.2 EU Article 29 (1) and (2) of the *Prospectus Regulation* provides:
UK

Article 29

Offer of securities to the public or admission to trading on a regulated market made under a prospectus drawn up in accordance with the laws of a third country

1. The competent authority ~~of the home Member State of a third country issuer~~ may approve a prospectus for an offer of securities to the public or for admission to trading on a regulated market, drawn up in accordance with, and which is subject to, the national laws of the third country issuer, provided that:
 - ...
 - (b) the competent authority ~~of the home Member State~~ has concluded cooperation arrangements with the relevant supervisory authorities of the third country issuer in accordance with Article 30.
2. ~~In the case of an offer to the public or admission to trading on a regulated market of securities issued by a third country issuer, in a Member State other than the home Member State, the requirements set out in Articles 24, 25 and 27 shall apply.~~

5 Other provisions

5.1 Validity of prospectus

Validity of prospectus

- 5.1.1 EU Article 12 of the *Prospectus Regulation* provides for the validity of a
UK *prospectus, registration document or a universal registration document:*

...

PRR 5.2 (Certificate of approval) is deleted in its entirety. The deleted text is not shown but the section is marked deleted, as shown below.

5.2 Certificate of approval [deleted]

Amend the following as shown.

5.3 Persons responsible for a prospectus

~~Rules only apply if UK is Home State~~

- 5.3.1 R ~~The rules in this section only apply in respect of a *prospectus* if the *United Kingdom* is the *Home State* for the *issuer* in relation to the *transferable securities* to which the *prospectus* relates.~~
~~[deleted]~~

...

5.4 Miscellaneous

Information to be disclosed to all investors to whom offer addressed

- 5.4.1 ~~EU~~ Article 22(5) of the *Prospectus Regulation* provides:
~~UK~~

...

...

Calculation of amounts not denominated in euros

- 5.4.3 R For the purposes of ~~articles~~ article 7(1) ~~and 27(5)~~ of the *Prospectus Regulation*, a reference to an amount denominated in euros is also a reference to an equivalent amount.

...

PRR Appendix 1

PRR App 1.1 Relevant definitions

[**Note:** The following definitions relevant to the *prospectus rules* are extracted from the *Glossary*.]

...	...
<i>EEA State</i>	(in accordance with Schedule 1 to the Interpretation Act 1978), in relation to any time:
	(a) a state which at that time is a member State; or
	(b) any other state which is at that time a party to the EEA agreement.
	[Note: Current non-member State parties to the EEA agreement are Norway, Iceland and Lichtenstein. Where the context requires, references to an EEA State include references to Gibraltar as appropriate.]

...	...
<i>ESMA guidelines on risk factors</i>	guidelines drafted pursuant to article 16(4) of the <u>EU Prospectus Regulation</u> on the specificity, materiality and presentation of risks factors across categories depending on their nature.
...	...
<i>ESMA PR Prospectus Questions and Answers</i>	the Questions and Answers on the <u>EU Prospectus Regulation</u> published by ESMA (ESMA/2019/ESMA31-62-1258).
...	...
<u>EU Prospectus Regulation</u>	the EU version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
...	...
<i>Home State</i>	in relation to an issuer of transferable securities, the EEA State which is the “home Member State” for the purposes of the <u>Prospectus Regulation</u> (which is to be determined in accordance with article 2(m) of that regulation).
<i>Host State</i>	(as defined in Article 2(n) of the <u>Prospectus Regulation</u>) the EEA State where an offer of securities to the public is made or admission to trading on a regulated market is sought, where different from the home Member State.
...	...
<i>PR Regulation</i>	the <u>UK version of Regulation number 2019/980 of the European Commission, which is part of UK law by virtue of the EUWA.</u>
<i>PRIIPs Regulation</i>	the <u>UK version of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), which is part of UK law by virtue of the EUWA.</u> See: http://data.europa.eu/eli/reg/2014/1286/oj
...	...
<i>Prospectus Regulation</i>	the <u>UK version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the EUWA.</u>

<i>Prospectus RTS Regulation</i>	the <i>UK</i> version of Commission Delegated Regulation (EU) 2019/979, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
...	...
<i>transferable security</i>	(as defined in section 102A of the <i>Act</i>) anything which is a transferable security for the purposes of <i>MiFID</i> <i>MiFIR</i> , other than money-market instruments for the purposes of that directive <i>MiFIR</i> which have a maturity of less than 12 months. [Note: In the <i>Prospectus Regulation</i> and <i>PR Regulation</i> , the term “security” rather than “transferable security” is used.]

PRR Appendix 2

PRR 2.1 Disclosure Annexes

App 2.1.1 EU <u>UK</u>	Annexes 1 to 29 to the <i>PR Regulation</i> can be accessed at this link :- https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2019.166.01.0026.01.ENG&toe=OJ:L:2019:166:TOC [Link to follow]
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TP 1 Transitional Provisions for prospectuses approved before 21 July 2019 [deleted]

TP 1.1R

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the Transitional Provision applies		Transitional Provision	Transitional Provision: dates in force	Handbook Provision: coming into force
†	All of <i>PR</i>	R	<i>PR</i> shall continue to apply to any <i>prospectus</i> approved under <i>PR</i> before 21 July 2019 until the earlier of:	From 21 July 2019	
			(a) the end of its validity under <i>PR</i> 5.1; or		

			(b)	21 July 2020.		

Annex O

Amendments to the Disclosure Guidance and Transparency Rules sourcebook (DTR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

1B Introduction (Corporate governance)

...

1B.1 Application and purpose (Corporate governance)

...

Purpose: Related party transactions

- 1B.1.9 G The original purpose of the requirements in *DTR 7.3* ~~is~~ was to implement parts of the *Shareholder Rights Directive* which require companies to have safeguards that apply to material transactions with related parties.

...

7 Corporate governance

...

7.3 Related party transactions

...

Definition of related party

- 7.3.2 R In *DTR*, a “*related party*” has the meaning in *UK-adopted IFRS*.

[**Note:** article 2(h) of the *Shareholder Rights Directive*]

...

...

7 The related party tests

Annex

1

...

Figures used to classify assets and profits

9R ...

- (3) (a) The figures of the *issuer* must be adjusted to take account of transactions completed during the period to which the figures referred to in (1) or (2) relate, and subsequent completed transactions which the *issuer* would have been required to notify ~~to a RIS~~ under LR 10.4 or LR 10.5 if the *issuer* had a *premium listing*, provided that for such subsequent completed transactions the figures for the transactions are reasonably available to the *issuer*.

...

...

...

TP 1 Disclosure and transparency rules

Transitional Provisions

(1)	(2) Material to which the Transitional Provision applies	(3)	(4) Transitional Provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
...					
35	DTR 7.2.8G	...			
34 <u>36</u>	DTR 4.1.6R	R	...		
32 <u>37</u>	DTR 4.1.7R(4)	R	...		
33 <u>38</u>	DTR 4.2.4R(1)	R	...		
34 <u>39</u>	DTR 4.2.10R(4)	R	...		
35 <u>40</u>	DTR 1B.1.3R	R	...		

	(1) and <i>DTR 7.1</i>					
--	---------------------------	--	--	--	--	--

[*Editor's note:* the Exiting the European Union: Regulatory Guides (Amendments) Instrument 2019 (FCA 2019/27) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) (PS19/12 'Changes to align the FCA Handbook with the EU Prospectus Regulations: feedback to CP19/6') made amendments to EG 7.2.1, App 2.1.9 and App 3.1.3. The text below takes account of the changes made by both these instruments. Further onshoring changes, to the consolidated text of the two instruments, are not indicated by underlining or strikethrough.]

Annex P

Amendments to the Enforcement Guide (EG)

Replace EG 7.2.1, App 2.1.9 and App 3.1.3 or parts of the text as shown, made or amended by the Exiting the European Union: Regulatory Guides (Amendments) Instrument 2019 (FCA 2019/27) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) with the corresponding provisions below. The text is not underlined.

7 Financial penalties and other disciplinary sanctions

...

7.2 Alternatives to sanctions

7.2.1 The *FCA* also has measures available to it where it considers it is appropriate to take protective or remedial action. These include:

...

(5) where there are reasonable grounds for suspecting that a provision of Part VI of the *Act*, a provision contained in the *prospectus rules*, or any other provision made in accordance with the *Prospectus Regulation* has been infringed, the *FCA* may:

- (a) suspend, restrict or prohibit the offer to the public of transferable securities as set out in section 87K of the *Act*; or
- (b) suspend, restrict or prohibit admission of transferable securities to trading on a regulated market or a trading facility as set out in sections 87L and 87LA of the *Act*;

...

...

Insert the following new section, EG 19.41, after EG 19.40 (Trade Repositories (EU Exit) Regulations). The text is not underlined.

19.41 Securities Financing Transactions Regulation

19.41.1 Supervisory and enforcement functions in respect of *trade repositories* under the *Securities Financing Transactions Regulation* were transferred from *ESMA* to the *FCA* through the *SFTR (EU Exit) Regulations* on *IP completion day*.

19.41.2 The *FCA*'s approach to enforcing under the *Securities Financing Transactions Regulation* and the *SFTR (EU Exit) Regulations* will mirror our general approach to enforcing the *Act*, as set out in *EG*. We will seek to exercise our enforcement powers in a manner that is transparent, proportionate, responsive to the issue and consistent with our publicly stated policies. We will also seek to ensure fair treatment when exercising our enforcement powers. Finally, we will aim to change the behaviour of the *person* who is the subject of our action, to deter future non-compliance by others, to eliminate any financial gain or benefit from non-compliance and, where appropriate, to remedy the harm caused by the non-compliance.

Conduct of investigations under the Securities Financing Transactions Regulation and the SFTR (EU Exit) Regulations

19.41.3 The *SFTR (EU Exit) Regulations* apply much of Part 11 of the *Act*. The effect of this is to apply the same procedures under the *Act* for appointing investigators and requiring information when investigating breaches of the *Securities Financing Transactions Regulation*, the *SFTR (EU Exit) Regulations* and the *TRATP Regulations*.

19.41.4 The *FCA* will notify the subject of the investigation that we have appointed investigators to carry out an investigation under the *SFTR (EU Exit) Regulations* and the reasons for the appointment, unless notification is likely to prejudice the investigation or otherwise result in it being frustrated. The *FCA* expects to carry out a scoping visit early in the enforcement process in most cases. The *FCA*'s policy in non-criminal investigations under the *SFTR (EU Exit) Regulations* is to use powers to compel the provision of information in the same way as we would during an investigation under the *Act*.

Decision making under the Securities Financing Transactions Regulation

19.41.5 The decision-making procedures for those decisions under the *Securities Financing Transactions Regulation* and *SFTR (EU Exit) Regulations* requiring the giving of a *warning notice*, *decision notice* or *supervisory notice* are dealt with within *DEPP*.

19.41.6 The *SFTR (EU Exit) Regulations* require the *FCA* to give third party rights as set out in section 393 of the *Act* and to give access to certain material as set out in section 394 of the *Act*, as applied by the *SFTR (EU Exit) Regulations*.

Imposition of penalties under SFTR (EU Exit) Regulations

19.41.7 When determining whether to take action to impose a penalty or to issue a public censure under the *SFTR (EU Exit) Regulations*, the *FCA*'s policy includes

having regard to the relevant factors in *DEPP* 6.2 and *DEPP* 6.4. The *FCA*'s policy in relation to determining the level of a financial penalty includes having regard, where relevant, to *DEPP* 6.5, *DEPP* 6.5A, *DEPP* 6.5B and *DEPP* 6.5D.

19.41.8 As with cases under the *Act*, the *FCA* may settle or mediate appropriate cases involving non-criminal breaches of the *Securities Financing Transactions Regulation* and the *SFTR (EU Exit) Regulations* to assist us to exercise our functions under the *Securities Financing Transactions Regulation* and the *SFTR (EU Exit) Regulations* in the most efficient and economical way. See *DEPP* 5, *DEPP* 6.7 and *EG* 5 for further information on the settlement process and the *settlement discount scheme*.

19.41.9 The *FCA* will apply the approach to publicity that is outlined in *EG* 6, read in the light of regulation 37 of the *SFTR (EU Exit) Regulations*.

Statement of policy in section 169(7) interviews (as implemented by the *SFTR (EU Exit) Regulations*)

19.41.10 The *SFTR (EU Exit) Regulations* apply section 169 of the *Act* which requires the *FCA* to publish a statement of policy on the conduct of certain interviews in response to requests from overseas regulators. For the purposes of the *SFTR (EU Exit) Regulations*, the *FCA* will follow the procedures described in *DEPP* 7.

...

Appendix 2 Guidelines on investigation of cases of interest or concern to the Financial Conduct Authority and other prosecuting and investigating agencies

App 2.1 Purpose, status and application of the guidelines

...

Indicators for deciding which agency should take action

App 2.1.9 The following are indicators of whether action by the *FCA* or one of the other agencies is more appropriate. They are not listed in any particular order or ranked according to priority. No single feature of the case should be considered in isolation, but rather the whole case should be considered in the round.

(a) Tending towards action by the *FCA*

...

Where the suspected conduct in question would be best dealt with by:

...

proceedings for breaches of the *Prospectus Regulation* actionable under Part VI of the *Act*, of *Part 6 rules* or the *Prospectus Rules*.

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...

Appendix 3 **Appendix to the guidelines on investigation of cases of interest or concern to the financial conduct authority and other prosecuting and investigating agencies**

App 3.1 **The FCA**

...

App 3.1.3 Under the 2000 Act the *FCA* has powers to investigate concerns including:

...

suspected contraventions of the *Prospectus Regulation*, the *PR Regulation*, the *Prospectus RTS Regulation* and suspected breaches of Part VI of the *Act*, of *Part 6 rules* or the *prospectus rules*.

...

Annex Q

Amendments to the Perimeter Guidance Manual (PERG)

In this Annex, underlining indicates new text and striking through indicates deleted text.

[*Editor's note:* Since we made amendments to PERG 5.15.4G below in the Exiting the European Union: Regulatory Guides (Amendments) Instrument 2019 (FCA 2019/27), the provision was amended by the Handbook Administration (No 51) Instrument 2019 (FCA 2019/85)), meaning that the amendment made by FCA 2019/19 would not take effect. As this present instrument comes into force immediately after FCA 2019/27 (see paragraph C on the cover sheet above), the amendment below restates that intended by FCA 2019/19.]

5 Guidance on insurance distribution activities

...

5.15 Illustrative tables

...

5.15.4 G Types of activity – are they regulated activities and, if so, why?

Type of activity	Is it a regulated activity?	Rationale
...		
MID-TERM ADJUSTMENTS AND ASSIGNMENTS		
Solicitors or licensed conveyancers discharging client instructions to assign <i>contracts of insurance</i> .	Not where article 67 applies.	As the assignment of rights under a contract of insurance (as opposed to the creation of new contracts of insurance) does not fall within the <u>IDD insurance distribution</u> , article 67 is of potential application (see <i>PERG 5.11.9 G to PERG 5.11.12 G</i>).
...		

[*Editor's note:* the Exiting the European Union: Regulatory Guides (Amendments) Instrument 2019 (FCA 2019/27) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) (PS19/12 'Changes to align the FCA Handbook with the EU Prospectus Regulations: feedback to CP19/6') made amendments to PERG 8.21.20G, 8.37.1G and

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8.37.15G. The text below takes account of the changes made by both these instruments. Further onshoring changes, to the consolidated text of the two instruments, are not indicated by underlining or strikethrough.]

Replace PERG 8.21.20G, 8.37.1G and 8.37.15G, or parts of those provisions, and the heading before PERG 8.37.15G as made or amended by the Exiting the European Union: Regulatory Guides (Amendments) Instrument 2019 (FCA 2019/27) and the Prospectus Regulation Rules Instrument 2019 (FCA 2019/80) with the text below. The text is not underlined.

8 Financial promotion and related activities

...

8.21 Company statements, announcements and briefings

...

Article 70: Promotions included in listing particulars, etc

8.21.20 G Article 70 applies to a *non-real time financial promotion* included in:

...

- (3) a prospectus or supplementary prospectus approved in line with *Prospectus Rules* – including part of such a prospectus or supplementary prospectus; or
- (4) any other document required or permitted to be published by *listing rules* or *Prospectus Rules*.

Article 70 also applies to a *non-real time financial promotion* comprising the final terms of an offer or the final offer price or amount of *securities* which will be offered to the public and that complies with articles 8(1), 8(4), 8(5), 8(10), 17 and 21(2) of the *Prospectus Regulation*.

...

8.37 AIFMD Marketing

...

Introduction and purpose

8.37.1 G ...

- (2) The purpose of this section is to give *guidance* on:

...

- (f) the interaction between the marketing of an *AIF* and the *Prospectus Regulation* (see *PERG 8.37.15G*);

...