

**ENFORCEMENT GUIDE (EU EXIT PASSPORT REGULATIONS)
INSTRUMENT 2022**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of section 139A of the Financial Services and Markets Act 2000 (power of the FCA to give guidance).

Commencement

- B. This instrument comes into force on 28 February 2022.

Amendments to the material outside Handbook

- C. The Enforcement Guide (EG) is amended in accordance with the Annex to this instrument.

Citation

- D. This instrument may be cited as the Enforcement Guide (EU Exit Passport Regulations) Instrument 2022.

By order of the Board
25 February 2022

Annex

Amendments to the Enforcement Guide (EG)

Insert the following new section, EG 19.42, after EG 19.41 (Securities Financing Transactions Regulation). All of the text is new and is not underlined.

19 Non-FSMA powers

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19.42 EU Exit Passport Regulations

- 19.42.1 Regulations 28 and 34 of the *EU Exit Passport Regulations* make provision for certain qualifying *persons* to be treated as having *Part 4A permission*. The *EU Exit Passport Regulations* provide a supervised run-off regime, which enables such *persons* to run off existing *UK* contracts and conduct an orderly exit from the *UK* market.
- 19.42.2 The *FCA* has power under the *EU Exit Passport Regulations* to direct that the regime should not apply to a particular *person*. The effect of such a direction would be to remove that *person's* deemed permission to conduct *regulated activities* in the *UK*.
- 19.42.3 The *FCA* may consider whether to make a direction under the *EU Exit Passport Regulations* where:
- (1) the *person* is failing or is likely to fail to satisfy the threshold conditions; or
 - (2) it is desirable to exercise the power in order to advance one or more of its *operational objectives*.
- 19.42.4 When exercising this power, the *FCA* will do so in a manner consistent with its approach generally to enforcement and cancellation under the *Act*.
- 19.42.5 The decision making procedures used to exercise the power will be consistent with the *FCA's* approach to making decisions under *executive procedures*.