

**FINANCIAL CONDUCT AUTHORITY TECHNICAL STANDARDS (CAPITAL  
REQUIREMENTS DIRECTIVE AND REGULATION) (EU EXIT) (No 2)  
INSTRUMENT 2020**

**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”), being the appropriate regulator within the meaning of the Financial Regulators’ Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (the “Regulations”), having carried out the consultations required by regulation 5 of the Regulations and with the approval of the Treasury, makes this instrument in exercise of the powers conferred by regulation 3 of the Regulations.

**Historic division**

- B. The Capital Requirements EU Regulations, as they have effect in domestic law by virtue of section 3 of the Act, will each be divided, with effect from IP completion day, into two identical versions of the same, headed “Part 1 (FCA)” and “Part 2 (PRA)” respectively, by the Technical Standards (Capital Requirements) (EU Exit) (No. 3) Instrument 2019 made by the PRA on 9 April 2019.

**Pre-conditions to making**

- C. As a result of the division in paragraph B, the FCA is the appropriate regulator in relation to Part 1 (FCA) of each of the Capital Requirements EU Regulations.
- D. The FCA proposes to exercise the power in regulation 3 of the Regulations to modify Part 1 (FCA) of each the Capital Requirements EU Regulations.
- E. The FCA has consulted the PRA on the modifications contained in this instrument in accordance with regulation 5 of the Regulations.
- F. A draft of this instrument has been approved by the Treasury, the Minister considering that it makes appropriate provision to prevent, remedy or mitigate any failure of retained EU law to operate effectively, or any other deficiency in retained EU law, arising from the withdrawal of the United Kingdom from the European Union.

**Interpretation**

- G. In this instrument:
- (1) “the Act” means the European Union (Withdrawal) Act 2018;
  - (2) “the Capital Requirements EU Regulations” means the EU regulations specified in Part 4 of the Schedule to the Regulations under the headings “Capital Requirements Directive” and “Capital Requirements Regulation”, which are modified by the Technical Standards (Capital Requirements) (EU Exit) (No.3) Instrument 2019 (as amended by the Technical Standards (Capital Requirements) (EU Exit) (No. 4) Instrument 2020);

- (3) “IP completion day” has the meaning given in the European Union (Withdrawal Agreement) Act 2020; and
- (4) “the PRA” means the Prudential Regulation Authority.

**Revocation of earlier instrument**

- H. The FCA revokes the Financial Conduct Authority Technical Standards (Capital Requirements Directive and Regulation) (EU Exit) Instrument 2019.

**Modifications to Part 1 (FCA) of the Capital Requirements EU Regulations**

- I. The FCA makes the same modifications to Part 1 (FCA) of each Capital Requirements EU Regulation as the PRA has made to Part 2 (PRA) of that Capital Requirements EU Regulation under its Technical Standards (Capital Requirements) (EU Exit) (No. 3) Instrument 2019 (as amended by the PRA’s Technical Standards (Capital Requirements) (EU Exit) (No. 4) Instrument 2020).

**Commencement**

- J. Paragraph H of this instrument comes into force on the day after the day on which this instrument is made.
- K. The remainder of this instrument comes into force on IP completion day immediately after the PRA’s Technical Standards (Capital Requirements) (EU Exit) (No. 3) Instrument 2020 (as amended by the PRA’s Technical Standards (Capital Requirements) (EU Exit) (No. 4) Instrument 2020) comes into force.

**Citation**

- L. This instrument may be cited as the Financial Conduct Authority Technical Standards (Capital Requirements Directive and Regulation) (EU Exit) (No 2) Instrument 2020.

By order of the Board  
22 December 2020