

Annex B

Application of the standstill direction to amendments made in the FCA Handbook

In this Annex, terms in **bold** take the meaning as stipulated in Part 2 (Interpretation) of the main FCA transitional directions.

The **standstill direction** applies to **relevant obligations** in the provisions specified in column (2). Column (3) provides guidance on the application of the **standstill direction** and also on circumstances where the **standstill direction** does not apply in a certain area.

(1)	(2) Provisions to which the standstill direction applies	(3) Guidance
1.	PRIN	
1.1.	N/A	<p>The standstill direction is not applied to the amendments to <i>PRIN</i>.</p> <p>This is because the amendments to <i>PRIN</i> are primarily <i>guidance</i> provisions.</p> <p>Where amendments are made to <i>rules</i> in <i>PRIN</i>, these relate to application and primarily reflect the fact that (a) application of <i>rules</i> in the <i>FCA Handbook</i> to <i>EEA firms</i> after <i>exit</i><i>IP completion day</i> is addressed by the <i>rules</i> applicable to <i>TP firms</i>, and (b) auction regulation bidding ceases to be a <i>regulated activity</i> as of <i>exit day</i><i>IP completion day</i>.</p> <p><u>In relation to (a) above, the standstill direction does not apply to the rules that apply to <i>TP firms</i> in <i>PRIN</i>, because these are part of the temporary permission regime designed to work from <i>IP completion day</i> onwards as transitional provisions and were not made in an exit instrument. The general rules for <i>TP firms</i> are set out in <i>GEN</i>. see 2.2.26R onwards. These rules provide that where a <i>rule</i> is waived or modified under the TTP then this <i>rule</i> is also waived or modified for a <i>TP firm</i>. The effect being that <i>TP firms</i> can benefit from the same transitional relief under the TTP as other <i>firms</i>.</u></p>

(1)	(2) Provisions to which the standstill direction applies	(3) Guidance
		<p><u>In relation to (b) above, as set out in 4.1D of the main FCA transitional directions, the standstill direction is not generally applied to changes to the regulatory perimeter.</u></p>
2.	SYSC	
2.1.	All relevant obligations in SYSC.	<p>Although applied to SYSC generally, the standstill direction will only apply where amendments <u>are</u> made to SYSC in an FCA exit instrument.</p> <p><u>Amendments to SYSC made under the Exiting the European Union: SMCR and APR (Amendments) Instrument 2019 were not made by an exit instrument and therefore did not result in <u>any relevant obligations</u>.</u></p> <p><i>Firms</i> should note in particular:</p> <p><u>that in</u> Annex A+ <u>for</u> MiFID 2/MiFIR provides guidance in relation to the organisational requirements from the <i>MiFID Org Regulation</i> included in SYSC.</p> <p>Amendments made by exit instruments to SYSC 9.2 reduce the scope of the records to be kept by <i>credit institutions</i>. The standstill direction will not prevent <i>firms</i> from complying with this amended version.</p> <p><i>Firms</i> subject to SYSC 12 SYSC 19A, SYSC 19C, SYSC 19D and SYSC 20 should refer to the separate prudential standstill direction. This covers the prudential sourcebooks of the <i>FCA Handbook</i> and these chapters. As a result of the prudential standstill direction applying, <i>firms</i> must comply with the version</p>

(1)	(2) Provisions to which the standstill direction applies	(3) Guidance
		<p>of the <i>rules</i> in force before <i>exit/IP completion day</i> to the extent relevant obligations apply to them.</p> <p>Amendments to SYSC made under the Exiting the European Union: SMCR and APR (Amendments) Instrument 2019 did not result in any relevant obligations because they were not made by an exit instrument.</p> <p>Amendments made by exit instruments to SYSC 18 do not materially change the substance of any requirements - they are intended to: (a) update references to <i>MIFID</i> and <i>MiFIR</i> to refer, instead or in addition, to equivalent <i>UK</i> legislation; and (b) update usage of related <i>Glossary</i> terms (such as <i>MIFID investment firm</i>).</p> <p>The standstill direction will not apply to SYSC TP 6, in so far as it applies to <i>benchmark administrators</i>, because the pre-<i>exit/IP completion day</i> obligation is linked to a function of <i>ESMA</i> under the <i>benchmarks regulation</i> (see 4.3D of the FCA transitional direction).</p>

3.	COCON	
3.1.	N/A	<p>The standstill direction is not applied to the amendments to <i>COCON</i>.</p> <p>Amendments to <i>COCON</i> made under the Exiting the European Union: SMCR and APR (Amendments) Instrument 2019 did not result in any relevant obligations because they were not made by an exit instrument.</p>

4.	APER	
4.1.	N/A	<p>The standstill direction is not applied to the amendments to <i>APER</i>.</p> <p>Amendments to <i>APER</i> made under the Exiting the European Union: SMCR and APR (Amendments) Instrument 2019 did not result in any relevant obligations because they were not made by an exit instrument.</p>
5.	FIT	
5.1.	N/A	<p>The standstill direction is not applied to the amendments to <i>FIT</i>.</p> <p>Amendments to <i>FIT</i> made under the Exiting the European Union: SMCR and APR (Amendments) Instrument 2019 did not result in any relevant obligations because they were not made by an exit instrument.</p>
6.	GEN	
6.1.	<p>The standstill direction shall apply to:</p> <p><u>a) GEN 2.2.22AR to the same extent it applies to MiFID investment firms in accordance with row 24 of Annex A of the transitional direction;</u></p> <p><u>b) GEN 4 (apart from status disclosure rules that apply to TP firms); and</u></p> <p><u>c) GEN 5.</u></p> <p><u>The standstill direction does not itself apply to the rules that apply to TP firms, because those rules are not made in an exit instrument. See the guidance in</u></p>	<p>The standstill direction applies to <i>GEN 2.2.22AR</i> to put the <i>UK branches of third country investment firms</i> that are not <i>TP firms</i> in a similar position to <i>MiFID investment firms</i> doing <i>MiFID business</i> by enabling them, for example, to take advantage of the transitional relief offered in relation to trade reporting obligations.</p> <p>The standstill direction has not been applied to the new <i>GEN 2.3R</i> (General saving of the Handbook for Gibraltar) because this provision broadly maintains application of the <i>FCA Handbook</i> with respect to Gibraltar.</p> <p><u>The standstill direction applies to GEN 4. The amendments reduce the geographic scope of firms' obligations post-IP completion day, from the EU to the</u></p>

	<p><u>Column 3 explaining how transitional relief applies to TP firms.</u></p>	<p><u>UK. The post-IP completion day regime will not impose any new requirements on firms, because firms are already under the duty to comply with the applicable rules in the UK. Nevertheless we have applied the standstill direction, in case there are other changes we have not identified. Note that TP firms have specific new status disclosure obligations in GEN 4 Annex 1B onwards. There is a specific transitional provision in GEN TP6 for such firms for 3 months from IP completion day.</u></p> <p><u>We do not consider the amendments in GEN 5 lead to changed requirements for firms, but we have applied the standstill direction for the avoidance of doubt.</u></p> <p><u>The standstill direction does not apply to the rules that apply to TP firms, TP AIFM qualifiers and TP UCITS qualifiers in GEN 2.2.26R to 2.2.39G and GEN 4, because these are part of the temporary permission regime designed to work from IP completion day onwards as transitional provisions and which are not made in an exit instrument. Instead the rules in GEN 2.2.26R onwards themselves provide that where the standstill direction disappplies or modifies a rule which applies to firms other than TP firms, that rule is disappplied or modified in relation to a TP firm (see GEN 2.2.27R(3) and (4) and 2.2.33R(3)). The effect being that TP firms can benefit from the same transitional relief under TTP as other firms.</u></p>
7.	FEES	
7.1.	N/A	<p><u>Generally, Other than those relevant obligations below we have not identified any new requirements in FEES that would arise from the operation of an FCA exit instrument. Accordingly, we have not applied the standstill direction to FEES. In those areas where there are new requirements as set out below we have not applied the standstill direction.</u></p>

The **standstill direction** does not apply to the relevant obligations ~~under~~ arising from the amendments to *FEES* in *FEES* 4A, 5, 7C, 7D and 13A which are imposed in connection with the establishment of the ~~transitional~~ temporary permission regime for FSMA EEA firms, electronic commerce firms, EEA payment services firms, EEA e-money firms and EEA RAISPs ~~entering the temporary permissions regime~~, as well as supervised run off firms and contractual run-off firms provided for under:

- the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (see the power in Part 8); to make fees rules;
- the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018;
- the Electronic Money, Payment Services and Payment Systems (Amendment and Transitional Provisions) (EU Exit) Regulations 2018;
- the Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019;
- the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018; and
- the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018.

As these regimes ~~needs~~ need to come into force on exit/IP completion day, so do the connected *FEES* obligations.

In relation to *FEES* 6 (formerly *COMP* 13), please ~~see the entry above~~ row 27 below relating to *COMP*.

The **standstill direction** does not apply to the relevant obligations arising from the amendments to *FEES* under the:

		<ul style="list-style-type: none"> • Fees (Credit Rating Agencies, Trade Repositories And Securitisation Repositories) Instrument 2019; and • <u>Fees (Credit Rating Agencies, Trade Repositories And Securitisation Repositories) Instrument 2020; and</u> • Fees (Miscellaneous Amendments) (No {14}}) Instrument 2019.
8.	TC	
8.1.	<p><u>N/A All relevant obligations in TC.</u></p>	<p>The standstill direction is not applied to the amendments to TC. This is because the amendments to TC primarily relate to the territorial scope of the rules in this sourcebook and do not result in changes necessitating application of the standstill direction.</p> <p><u>Note</u> The amendments in TC reduce the geographic scope of firms' obligations post-IP completion day from the EU to the UK. The post-IP completion day regime will not impose any new requirements on firms, because firms are already under the duty to comply with the applicable rules in the UK. Nevertheless we have applied the standstill direction, so firms will have the option of continuing to comply with the pre-IP completion day regime if they wish.</p> <p><u>As regards the post-IP completion day regime note</u> in particular, in relation to TC 2.1.1R(2), that on its face, the deletion of this provision appears to extend the appropriate qualification requirement to employees of a firm engaging in MiFID business from a branch in an EEA State. To the extent that a firm were able to maintain such a branch after exit IP completion day, however, TC would not apply to the employees of that branch by virtue of the changes to TC App 2.1.1R (to limit the application of TC in respect of MiFID business to employees who carry on activities from an establishment in the UK).</p>

9.	GENPRU	
9.1.	N/A	This sourcebook is subject to the prudential standstill direction .
10.	BIPRU	
10.1.	N/A	This sourcebook is subject to the prudential standstill direction .
11.	IFPRU	
11.1.	N/A	This sourcebook is subject to the prudential standstill direction .
12.	INSPRU	
12.1.	N/A <u>All relevant obligations in INSPRU.</u>	We havedo not identified any changes to obligations <u>consider the amendments in INSPRU that would necessitate application of lead to changed requirements for firms, but we have applied the standstill direction for the avoidance of doubt.</u>
13.	MIPRU	
13.1.	N/A <u>All relevant obligations in MIPRU, other than in MIPRU 3.2.9AR and 3.2.9B and 4.</u>	We havedo not identified any changes to obligations <u>consider the amendments in MIPRU that would necessitate application of lead to changed requirements for firms, but we have applied the standstill direction for the avoidance of doubt.</u> <u>MIPRU 3.2.9AR and 3.2.9B relate to a continuation of an existing obligation, so do not constitute relevant obligations.</u> <i>MIPRU 4</i> is subject to the prudential standstill direction .
14.	IPRU(FSOC)	

14.1.	N/A All relevant obligations in IPRU(FSOC).	We havedo not identified any changes to obligations consider the amendments in IPRU-(FSOC that would necessitate application of-) lead to changed requirements for firms, but we have applied the standstill direction for the avoidance of doubt.
15.	IPRU(INS)	
15.1.	N/A All relevant obligations in IPRU(INS).	We havedo not identified any changes to obligations consider the amendments in IPRU(INS) that would necessitate application of- lead to changed requirements for firms, but we have applied the standstill direction for the avoidance of doubt.
16.	IPRU(INV)	
16.1.	N/A All relevant obligations in IPRU(INV) 4 and 11.	We havedo not identified any changes consider the amendments to obligations in- IPRU(INV) 4, 6 and 11 that would necessitate application of lead to changed requirements for firms, but have applied the standstill direction- for the avoidance of doubt. IPRU(INV) 1, 2, 3, 5, <u>6</u> , 9, 12, 13, 14 and Annex A are subject to the prudential standstill direction .

17.	COBS	
17.1.	All relevant obligations in COBS except relevant obligations arising from the change to COBS 5.1.17R.	The standstill direction is generally applied to relevant obligations in COBS. The changes made to COBS by the relevant exit instrument are largely of a non-substantive nature and do not generally impose new <u>changed</u> requirements. Where the standstill direction does apply to relevant obligations , however, it enables <i>firms</i> to continue to comply with the pre- exit <u>IP completion day</u> version of the relevant obligation . Of particular note, for the period of the standstill direction , <i>firms</i> can for example:

- rely on certain information, recommendations and assessments provided by *EEA firms* (COBS 2.4.4R and COBS 2.4.5AR);
- categorise non-UK local public authorities as elective professional clients in accordance with pre-~~exit opt-~~
~~up~~ IP completion day criteria (COBS 3.5.3ER);
- when transacting with an undertaking in an *EEA State*, defer to the status of that undertaking in the *EEA State* of its establishment (COBS 3.6.7R);
- provide past performance information to *clients* in accordance with pre-~~exit~~ IP completion day requirements. This will be relevant when dealing with a *client* in an *EEA State*.

In many cases, the changes to *COBS* made by the relevant **exit instrument** reduce the scope of a *firm's* obligations (for example, by removing the requirements to provide certain information in relation to *EEA UCITS schemes* in COBS 4.13 or to comply with distance marketing and e-commerce requirements when dealing with a *person* in an *EEA State* (COBS 5.1 and 5.2)). In these cases, the **standstill direction** will have no practical application for *firms*.

The **standstill direction** will not apply to the amendments to COBS 10A.4.1R. That is because these amendments preserve the existing scope of *financial instruments* in relation to which an appropriateness assessment (for the purposes of COBS 10A.4.1R(1)) need not necessarily be undertaken and so do not involve a **relevant obligation**.

		<p>The standstill direction is not being applied to the amendments to <i>COBS</i> 5.1.17R. This <i>rule</i> seeks to ensure that distance marketing protection created by the <i>rules</i> for <i>consumers</i> will not be lost by entering into a contract governed by the law of an overseas country.- Before exit day <u>this IP completion day</u> this provision did not apply to a contract governed by the law of an <i>EEA State</i>, because such laws provided their own protections for <i>consumers</i>. However, it can no longer be assumed that <i>EEA laws</i> will continue to protect <i>UK consumers</i> post-exit. <u>IP completion day</u>. The relevant exit instrument therefore provides that this provision will apply to contracts governed by laws of <i>EEA States</i> post-exit. <u>IP completion day</u>. We are not applying the standstill direction to this provision, because we wish <i>UK consumers</i> to benefit from this provision from exit <u>IP completion day</u>.</p> <p>Various provisions in <i>COBS</i> 'copy out' requirements which are contained in Commission Delegated Regulation (EU) 2017/565 (the <i>MiFID Org Regulation</i>). <i>Firms</i> to which these requirements apply should refer to Annex A to this direction for <i>guidance</i> on the application of the standstill direction to the <i>MiFID Org Regulation</i>. This is relevant to <i>MiFID investment firms</i> as well as to <i>third country investment firms</i> and <i>MiFID optional exemption firms</i> to which certain of the requirements in the <i>MiFID Org Regulation</i> are applied as <i>rules</i>.</p>
18.	ICOBS	
18.1.-	N/A	<p>We have not identified any changes to obligations in ICOBS that would necessitate application of the standstill direction. To the extent that amendments result in ICOBS applying differently, this is expected to be because of a reduction in the geographical scope of the requirements.</p>

18.2.18	N/A <u>All relevant obligations in ICOBS, other than in ICOBS 3.1.19R.</u>	<p><u>The amendments in ICOBS reduce the geographic scope of firms' obligations post-IP completion day from the EU to the UK. The post-IP completion day regime will not impose any new requirements on firms, because firms are already under the duty to comply with the applicable rules in the UK. Nevertheless we have applied the standstill direction, so firms will have the option of continuing to comply with the pre-IP completion day regime if they wish.</u></p> <p><i>ICOBS 3.1.19R seeks to ensure that distance marketing protection created by the rules for consumers will not be lost by entering into a contract governed by the law of an overseas country. Before exitIP completion day this provision did not apply to a contract governed by the law of an EEA State, because such laws provided their own protections for consumers. However, it can no longer be assumed that EEA laws will continue to protect UK consumers post-exitIP completion day. The relevant exit instrument therefore provides that this provision will apply to contracts governed by laws of EEA States post-exitIP completion day. We are not applying the standstill direction to this provision, because we wish UK consumers to benefit from this provision from exitIP completion day.</i></p>
19.	MCOB	
19.1.	N/A	<p>We have<u>The standstill direction is not being applied to amendments to MCOB because one or more of the following applies:</u></p> <p><u>a) the amendment relates to an issue of regulatory perimeter;</u></p>

		<p>b) <u>the territorial scope of a <i>rule</i> is being reduced;</u></p> <p>c) <u>the amendment is not imposing identified any changes to relevant obligations in <i>MCOB</i>; and/or</u></p> <p>d) <u>the amendment is reducing the requirements of any relevant obligations, with the result that would necessitate application of the standstill direction (see <i>firms</i> are already meeting the requirements of the <i>rule</i> as amended by complying with the <i>rule</i> as it applied prior to amendment.</u></p> <p>(See also Annex A in relation to mortgage credit).</p>
20.	BCOBS	
20.1.	N/A	<p>We have not identified any changes to obligations in <i>BCOBS</i> that would necessitate application of the standstill direction. To the extent amendments to <i>BCOBS</i> result in <i>BCOBS</i> applying differently, this is expected to be because of a reduction in the geographical scope of the requirements.</p>
20.2.	N/A All relevant obligations in <i>BCOBS</i> , other than <i>BCOBS</i> 3.1.17R.	<p>To the extent the amendments in <i>BCOBS</i> result in <i>BCOBS</i> applying differently, this is expected to be because of a reduction in the geographic scope of the requirements to the UK. The <i>post-IP completion day</i> regime will not impose any new requirements on firms, because firms are already under the duty to comply with the applicable rules in the UK. Nevertheless we have applied the standstill direction, so firms will have the option of continuing to comply with the <i>pre-IP completion day</i> regime if they wish.</p> <p><i>BCOBS</i> 3.1.17R seeks to ensure that distance marketing protection created by the <i>rules</i> for <i>consumers</i> will not be lost by entering into a contract governed by the law of an overseas country. Before <i>exit-IP completion day</i> this provision did not apply to a contract governed by the law</p>

		of an <i>EEA State</i> , because such laws provided their own protections for <i>consumers</i> . However, it can no longer be assumed that <i>EEA laws</i> will continue to protect <i>UK consumers</i> post- exit-IP completion day . The relevant exit instrument therefore provides that this provision will apply to contracts governed by laws of <i>EEA States</i> post- exit-IP completion day . We are not applying the standstill direction to this provision, because we wish <i>UK consumers</i> to benefit from this provision from exitIP completion day .
21.	CMCOB	
21.1.	N/A All relevant obligations in CMCOB.	<p>The standstill direction does We have not apply to CMCOB identified any changed requirements for firms in <i>CMCOB</i>, as the following reasons:</p> <p>a) The only amendment to CMCOB as a result of leaving from the EU was an amendment to guidance in <i>CMCOB</i> 2.2.3G(4).</p> <p>b) CMCOB does not come into force until 1 April 2019. The amendments to CMCOB also come into force on 1 April therefore from Day 1 of its application to firms CMCOB will reflect. Nevertheless we have applied the amendments.</p> <p>For amendments made to relevant obligations in other parts of standstill direction for the Handbook which affect CMCs, firms should see the guidance relevant to those parts of the Handbook: <u>avoidance of doubt</u>.</p>
22.	CASS	
22.1.	All relevant obligations in <i>CASS</i> except relevant obligations arising from the deletion of <i>CASS</i> 1.3.3R in Annex F of the Exiting the European Union: Business	The standstill direction is generally applied to relevant obligations in <i>CASS</i> . The exception in relation to

Standards Sourcebooks (Amendments) Instrument 2019.

The **standstill direction** does not apply to the rules applied to *TP firms* referred to in column (3).

relevant obligations arising from the deletion of CASS 1.3.3R is discussed further below.

The changes made to CASS by the relevant **exit instruments** are largely of a non-substantive nature and do not generally impose new requirements.

Where the **standstill direction** does apply to **relevant obligations**, however, it enables *firms* to continue to comply with the pre-~~exit~~IP completion day version of the **relevant obligation**.

Of particular note, are the **relevant obligations** which result from changes to *FCA Handbook Glossary* definitions for *Glossary* terms which are used in CASS including, for example, *FCA Handbook Glossary* definitions for:

- *approved bank*; and
- *qualifying money market fund*.

For the period of the **standstill direction**, *firms* may opt to comply with these **relevant obligations** on the basis that they refer to the pre-~~exit~~IP completion day version of the relevant *FCA Handbook Glossary* definition(s).

For the period of the **standstill direction**, *firms* may, for example, elect to comply with **relevant obligations** which refer to:

- an *approved bank* as though such reference may be to, among other things, a *credit institution* established in an *EEA State* other than the *UK* and duly authorised by the *Home State regulator*; and
- a *qualifying money market fund* as though such reference is to a collective investment undertaking authorised under the *UCITS Directive* or which is subject to supervision and, if applicable, authorised by an authority under the national law of the authorising

Member State which satisfies the relevant conditions in the pre-*exit/IP completion* day version of the Glossary definition.

Firms should note that amendments to CASS under the Exiting the European Union: Temporary Permission and Financial Services Contracts Instrument 2019, including the introduction of CASS 14, did not result in any **relevant obligations**, because this instrument is not an **exit instrument**. Therefore, the **standstill direction** does not apply to the amendments in that instrument and *TP firms* will need to comply. In particular these *rules* require:

- relevant *TP firms* to complete and submit to FCA a TP client assets return (see CASS 14.3),
- provide an external auditors report required under MiFID at FCA's request or to FCA where the report is adverse (see CASS 14.4),
- provide specified client information (see CASS 14.5),
- a *TP firm* not to allow a *tiered agent* or *appointed representative* to receive or hold client money or safe custody assets in specified cases (see CASS 14.6).

The **standstill direction** does not apply in respect of **relevant obligations** arising from the deletion of CASS 1.3.3R. This affects any *firm* to which that *rule* applied before *exit/IP completion* day which continues to operate a branch in an *EEA State* after *exit/IP completion* day. For example, such a *firm* should ensure that, after *exit/IP completion* day, money held in a *client bank account* under the statutory trust at CASS 5.3.2R or CASS 7.17.2R and under any non-statutory trust under CASS 5.4.6R does not include any money held in relation to activities carried on from a *branch* in an *EEA State*.

23.	MAR	
23.1.	<p>N/A <u>MAR 5 to MAR 7A.</u></p>	<p><u>We do not consider the amendments to MAR 5 to MAR 7A lead to changed requirements for firms, but we have applied the standstill direction to MAR 5 to 7A for the avoidance of doubt.</u></p> <p><u>We have not identified changes to obligations in MAR 1, 2, 4, 5, 5A and 7A which would necessitate application. For consistency with our approach to the MAR Exit SI and MAR BTS (see row 23 of annex A), we are not applying the standstill direction to those chapters of MAR.</u></p> <p>The standstill direction will not apply to MAR 8 because the amendments to MAR 8 made by the FCA's exit instruments were made in connection with the transitional regime under the Benchmarks (Amendment and Transitional Provisions (EU Exit) Regulations 2019 which needs to be in force on <u>exit IP completion day</u>.</p> <p>The standstill direction will not apply to MAR 9. There is already a temporary authorisation procedure for EEA data reporting service providers in the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018.</p> <p>The standstill direction will not apply to MAR 10. With the exception of the change to MAR 10.4.10D, the amendments made by the FCA's exit instruments to MAR 10 do not impose any new requirements. The effect of the amendment to MAR 10.4.10D does mean that the obligations apply differently post-<u>exit IP completion day</u> to EEA MiFID investment firms, however the amendment reflects a reduction in the geographical scope of obligations and so the standstill direction will not apply.</p>
24.	PROD	

24.1.

N/A All relevant obligations in PROD.

~~We have not identified changes to obligations in PROD which would necessitate application of the **standstill direction**. The changes:~~

The changes in PROD:

- amend text which copies out the *IDD POG Regulation*; for example, by removing references to EU legislation and replacing them with references to *FCA rules*;
- ~~change~~ amend the designation of that copied out text from "EU" to "UK"; and
- reduce the geographical scope of a *firm's* obligations from *EEA* to *UK*.

To the extent the amendments in PROD result in PROD applying differently, this is expected to be because of a reduction in the geographic scope of the requirements to the UK. The post-IP completion day regime will not impose any new requirements on firms, because firms are already under the duty to comply with the applicable rules in the UK. Nevertheless we have applied the **standstill direction**, so firms will have the option of continuing to comply with the pre-IP completion day regime if they wish.

25.	SUP	
25.1.	<p>Amendments to:</p> <p><u>SUP 11</u></p> <p><i>SUP 15.9</i></p> <p><u>SUP 15A</u></p> <p><u>SUP 15 Annex 12D Form NOT004 Notification</u></p> <p><i>SUP 16</i> to the extent relevant obligations apply to <i>firms</i> to which one or more of the following also apply: <i>GENPRU, BIPRU, IPRU(INV)</i> (Chapters 1-3, 5-6, 9, 13, 14, Annex D), <i>IFPRU, MIPRU 4</i> and <i>SYSC</i> (Chapters 12, 19A, 19C and 19D).—</p> <p><u>SUP 16.3</u></p>	<p>The standstill direction will only apply to <i>SUP 11, SUP 15.9, SUP 15A</i> and <i>SUP 16</i> because the amendments made by the <i>FCA's exit instruments</i> to <i>SUP</i> do not otherwise necessitate application of the standstill direction.</p> <p>As a result of applying the standstill direction to:</p> <p>a) <i>SUP 15.9</i>; and</p> <p>b) <i>SUP 16</i> for <i>firms</i> subject to one or more of <i>GENPRU, BIPRU, IPRU(INV)</i> (Chapters 1-3, 5-6, 9, 13, 14, Annex D), <i>IFPRU, MIPRU 4</i> and <i>SYSC</i> (Chapters 12, 19A, 19C and 19D),</p> <p>to the extent the relevant obligations apply to such <i>firms</i>, they should apply the content of the pre-exit<i>IP completion</i> day relevant obligations set out in <i>SUP 15.9</i> and <i>SUP 16</i>.</p> <p><u>We do not consider the amendments in SUP 11 and SUP 15A lead to changed requirements for firms, but we have applied the standstill direction for the avoidance of doubt.</u></p> <p>For relevant obligations related to reporting, <i>IFPRU investment firms</i> should also refer to the prudential standstill direction.</p> <p>Firms should note in particular:</p>

- The **standstill direction** is not being applied to *SUP* 12 as these changes generally relate to the loss of passport rights. Those amendments which involve the removal from *SUP* 12 of references to “*EEA registered tied agents*” are subject to their own transitional regime in *SUP* TP 12. The purpose of the transitional provision is to mitigate disruption for firms.
- *SUP* 15B and *SUP* TP 10 contain *guidance on regulated benchmark administrators* and notifications, applications and powers under the *benchmarks regulation*, which will have its own transitional regime.
- With respect to *SUP* 17A, the **standstill direction** will not apply to transaction reporting obligations. *Firms* are required to meet their transaction reporting requirements to enable the *FCA* to discharge its market abuse supervisory functions. This means *UK branches of EEA MiFID investment firms* will need to ensure transaction reporting of relevant transactions executed by the *UK branch* to the *FCA* from exit/TP completion day, and will therefore become subject to *SUP* 17A.
- ~~Payment service providers should note that the **standstill direction** is not being applied to *SUP* 16.13 because amendments arising from an **EU exit instrument** have not imposed any new requirements.~~
- The effect of applying the **standstill direction** to *SUP* 16.13.19 D is that *payment service providers* will be able to provide an explanation of how their processes and protocols achieve at least equivalent levels of security to those provided for in either the second Payment Services Directive, or the Payment Services Regulations.
- The effect of applying the **standstill direction** to *SUP* 15 Annex 12D Form NOT004 Notification that the fraud rate exceeds the reference fraud rate under SCA-RTS article 20 is that *payment service providers* will be able

		<p><u>to provide the information required in Q4, Q5, Q6 and Q8 with reference to the applicable reference rate in Sterling or Euro.</u></p> <ul style="list-style-type: none">• <i>Firms</i> should refer to the FCA guide 'Interpretative Guide on completing our forms after the <i>UK's</i> withdrawal from the EU' in relation to any <i>firms</i> under <i>SUP</i>.• The standstill direction will not apply to <i>SUP</i> 16.23 on the basis that the proposed amendment to it does not create new or changed obligations.
26.	DISP	

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26.1.	<p><u>N/A-All relevant obligations in <i>DISP</i>, except in connection with the temporary permissions regime. The temporary permissions regime includes applying the <i>Compulsory Jurisdiction of the Financial Ombudsman Service</i> and complaints handling rules to <i>TP firms</i>, <i>TA EMI firms</i>, <i>TA PI firms</i> and <i>TA RAISP firms</i>.</u></p>	<p>The standstill direction has not been applied to <i>DISP</i> because amendments made to <i>DISP</i> either reduce the scope of an obligation from <i>EEA</i> to <i>UK</i> scope or make rules in connection with the temporary permissions regime, which includes applying the <i>Compulsory Jurisdiction of the Financial Ombudsman Service</i> and complaints handling rules to <i>TP firms</i>, <i>TA EMI firms</i>, <i>TA PI firms</i> and <i>TA RAISP firms</i>. <u>To the extent the amendments in <i>DISP</i> (other than in connection with the TP regime) result in <i>DISP</i> applying differently, this is expected to be because of a reduction in the geographic scope of the requirements to the UK. The <i>post-IP completion day</i> regime will not impose any new requirements on firms, because firms are already under the duty to comply with the applicable rules in the UK. Nevertheless we have applied the standstill direction, so firms will have the option of continuing to comply with the <i>pre-IP completion day</i> regime if they wish.</u></p> <p><u>In relation to rules and guidance that apply to <i>TP firms</i>, see in particular the rules and guidance in chapters 1, 2 and 3 of <i>DISP</i>.</u></p>
27.	COMP	

27.1.	N/A	<p>The standstill direction is not applied to the amendments to <i>COMP</i>.</p> <p>The changes to <i>COMP</i> that relate to the establishment of the transitional regime for firms entering the temporary permissions regime, as well as supervised run-off firms, provided for under The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018, do not arise from the operation of an FCA exit instrument. Accordingly, we have not applied the standstill direction <u>cannot be applied</u> to <i>COMP</i>.</p> <p>We have not applied the standstill direction to the changes to <i>COMP</i> that are as a result of the removal of passporting rights (including removal of the right to elect to participate in the FSCS) and, in any event, those changes do not impose new requirements. <u>We have not applied the standstill direction to loss of inward passporting rights, because the post-IP completion day regime contains a transitional. provisions. The purpose of the transitional provision is to mitigate disruption for firms.</u></p>
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<u>27.2.</u>		
28.	COLL	
28.1.	<p><u>N/A We have only applied the standstill direction to the amendments made to the <i>COLL</i> sourcebook insofar as they concern the matters addressed by row 37.1 below.</u></p> <p><u>See also row 19.6 of Annex A.</u></p>	<p>We have not identified any changes to obligations in <i>COLL</i> which would necessitate application of the standstill direction. As explained in row 7 of Annex A, the Government has created various transitional, temporary arrangements to address the effects of the <i>UK's</i> exit from the <i>EU</i> and the narrowing of the <i>UCITS</i> regime from an <i>EU-wide</i> one to a <i>UK-specific</i> one. Amongst other things, for a limited period these arrangements will allow <i>EEA UCITS</i> to continue to be marketed in the <i>UK</i> and will also allow <i>EEA UCITS management companies</i> and <i>EEA AIFMs</i> to continue to manage <i>UK authorised funds</i>.</p> <p>The changes made to the <i>COLL</i> sourcebook reflect the narrowing of the <i>UCITS</i> regime from an <i>EU-wide</i> one to a <i>UK-specific</i> one as well as the loss of passporting rights after <i>IP completion day</i>. Changes to <i>GEN</i> make provision</p>

		<p><u>for EEA firms that are taking advantage of either the temporary marketing permissions regime (TP UCITS qualifiers and TP AIFM qualifiers) or the temporary permissions regime for firms. As a result, the standstill direction has not been applied to COLL insofar as it concerns these temporary arrangements.</u></p> <p><u>In row 37.1 below we have applied the standstill direction to firms that were using a passport immediately before IP completion day to provide collective portfolio management to an EEA UCITS scheme; this is to enable UK UCITS management companies (as that term was defined before IP completion day) to continue to provide such services in relation to an EEA UCITS after IP completion day where the relevant Member State allows it. We have mirrored that aspect of the standstill direction in relation to the rules in COLL to make the position clear. This aspect of the standstill direction is also linked to row 19.6 of Annex A.</u></p> <p><u>Aside from the above, the amendments to COLL do not substantively change the obligations of firms that act as the operator, trustee or depositary of a UK UCITS or other authorised fund, although EEA firms will need to have the relevant temporary permissions. As a result, we have not applied the standstill direction to the other amendments made to COLL.</u></p>
29.	CREDS	
29.1.	<u>N/A All relevant obligations in CREDS.</u>	<p><u>We havedo not identified any changes to obligations consider the amendments in CREDS which would necessitate application of lead to changed requirements for firms, but we have applied the standstill direction for the avoidance of doubt.</u></p>

30.	CONC
30.1.-	The standstill direction shall apply to amendments made to CONC 2.7.2R(4)(a) for a period of five months beginning on exit day .

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30.2-30

N/A All relevant obligations in CONC, other than in CONC 1.2.6R and CONC 2.7.17R, and subject to rows 30.2 to 30.4 below.

We consider that the amendments to CONC to which the **standstill direction** applies either reduce the geographic scope of firms' obligations post-*IP completion day* from the EEA to the UK, or do not impose any new requirements as they reduce the obligations themselves. Nevertheless we have applied the **standstill direction** for the avoidance of doubt.

The deletion of CONC 1.2.6R relates to an issue of regulatory perimeter. We are not applying the **standstill direction** to this amendment. As stated in the main FCA transitional directions, our general approach is not to apply the **standstill direction** where the scope of a **relevant obligation** is affected by a change to the regulatory perimeter.

CONC 2.7.17R seeks to ensure that distance marketing protection created by the *rules for consumers* will not be lost by entering into a contract governed by the law of an overseas country. Before *exit-IP completion day* this provision did not apply to a contract governed by the law of an EEA State, because such laws provided their own protections for *consumers*. However, it can no longer be assumed that EEA laws will continue to protect UK consumers post-*exit-IP completion day*. The relevant **exit instrument** therefore provides that this provision will apply to contracts governed by laws of EEA States post-*exit-IP completion day*. We are not applying the **standstill direction** to this provision, because we wish UK consumers to benefit from this provision from *exit-IP completion day*.

<p><u>30.3-30</u></p>	<p>N/A <u>The standstill direction shall only apply to amendments made to CONC 2.7.2R(4)(a) for a period of five months beginning on IP completion day.</u></p>	<p><u>This <i>rule</i> provides a circumstance where a <i>firm</i> does not have to comply with CONC 2.7.2R(1) (provision of distance marketing information) or CONC 2.7.11R (provision of abbreviated distance marketing information) where the <i>distance contract</i> is also an <i>authorised non-business overdraft agreement</i>, and information has already been disclosed under regulation 10(2) of the <i>disclosure regulations</i> by means of the relevant form (together with, where applicable, a copy of the contractual terms and conditions). The application of the standstill direction means the <i>rule</i> is complied with whether the form is described by the <i>firm</i> as “European Consumer Credit Information” (the previous name) or “Pre-contract Consumer Credit Information (Overdrafts)” (the new name). The standstill direction is not being applied to other amendments to CONC because one or more of the following applies:-</u></p> <p><u>b)- This reflects the transitional regime referred to in row 8.1 of Annex A which lasts for a period of 5 months beginning on IP completion day. any relevant obligations; and/or</u></p> <p><u>the amendment is reducing the requirements of any relevant obligations, with the result that <i>firms</i> are already meeting the requirements of the <i>rule</i> as amended by complying with the <i>rule</i> as it applied prior to amendment.</u></p>
<p><u>30.3.</u></p>	<p><u>The standstill direction shall apply to amendments made to CONC 2.8.2R(5) on the condition that the UK is treated as an EEA State for the purposes of compliance with CONC 2.8.2R(5)(b) and (c) as these provisions applied immediately before IP completion day.</u></p>	<p><u>From IP completion day the UK will no longer be treated as an EEA State. This condition is required in order to ensure that <i>firms</i> which wish to comply with CONC 2.8.2R(5) as it applied immediately before IP completion day must give all the details required by CONC 2.8.2R(5)(b) and (c) if they are professional firms established in the UK.</u></p>

30.4.	<p><u>The standstill direction shall apply to amendments made to <i>CONC 2 Annex 1R</i> on the condition that the <i>UK</i> is treated as an <i>EEA State</i> for the purposes of compliance with <i>CONC 2 Annex 1R(2)</i> and (16) as these provisions applied immediately before <i>IP completion day</i>.</u></p>	<p><u>From <i>IP completion day</i> the <i>UK</i> will no longer be treated as an <i>EEA State</i>. This condition is required in order to ensure that <i>firms</i> which wish to comply with <i>CONC 2 Annex 1R</i> as it applied immediately before <i>IP completion day</i> must give the required details of their representative if they are established in the <i>UK</i>.</u></p>
31.	FUND	
31.1.	<p><u>N/AThe standstill direction applies to the amendments made to <i>FUND 3</i> insofar as they relate to a <i>UK AIFM</i> managing or marketing an <i>AIF</i> which, immediately before <i>IP completion day</i>, was an <i>EEA AIF</i> and which after <i>IP completion day</i> is a <i>non-UK AIF</i>.</u></p>	<p>We have not identified any changes to obligationsAs explained in <i>FUND</i> row 1.1 of Annex A, after <i>IP completion day</i> the <i>AIFMD</i> regime will change from an <i>EEA-wide</i> regime to a <i>UK-specific</i> one.</p> <p><u>One of the consequences of this is that a <i>UK AIFM</i> managing or marketing an <i>EEA AIF</i> immediately before <i>IP completion day</i> will be managing or marketing a <i>non-UK AIF</i> after <i>IP completion day</i>. This change in the scope of the regime also affects the <i>rules</i> that apply. Specifically, the <i>rules</i> which apply to a <i>UK AIFM</i> managing or marketing such a <i>non-UK AIF</i> are different and more limited than those which would necessitate application of have applied to the <i>UK AIFM</i> managing or marketing the same <i>AIF</i> immediately before <i>IP completion day</i>. However, we have applied the standstill direction in relation to a <i>UK AIFM</i> managing or marketing such an <i>AIF</i> for ease.</u></p>
32.	PROF	
32.1.	<p><u>N/A All relevant obligations in <i>PROF</i>.</u></p>	<p>We havedo not identified any changes to obligationsconsider the amendments in <i>PROF</i> which would necessitate application oflead to changed requirements for firms, but we have applied the standstill direction for the avoidance of doubt.</p>

33.	REC	
33.1.	<u>N/A All relevant obligations in REC.</u>	We havedo not identified any changes to obligations <u>consider the amendments in REC which would necessitate application of lead to changed requirements for firms, but we have applied the standstill direction- for the avoidance of doubt.</u> REC is predominantly <i>guidance</i> .

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34.	LR	
34.1.	N/A	<p>The standstill direction does not apply to any amendments made in the Exiting the European Union: Listing, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019 to the Listing Rules (LR) Sourcebook because that Instrument makes the necessary transitional provisions in relation to such amendments.</p> <p>Issuers will be required to comply from <i>exitIP completion day</i> with all relevant obligations in LR subject to the transitional provisions set out in Annex A of the Instrument.</p> <p>The standstill direction does not apply to any amendments made in the Exiting the European Union: Handbooks (Amendments) Instrument 2019 to the Listing Rules (LR) Sourcebook because that Instrument makes the necessary transitional provisions in relation to such amendments.</p> <p>Issuers will be required to comply from <i>exitIP completion day</i> with all relevant obligations in LR subject to the transitional provisions set out in Annex N of that Instrument.</p>
35.	PRR	
35.1.	N/A	<p>The standstill direction does not apply to any amendments made in the Exiting the European Union: Handbook (Amendments) Instrument 2019 to the Prospectus Regulation Rules (PRR) sourcebook because that instrument makes the necessary transitional provisions in relation to such amendments.</p>

		Issuers will be required to comply from <i>exitIP completion day</i> with all relevant obligations in PRR subject to the transitional provisions set out in Annex O of the instrument.
36.	DTR	
36.1.	N/A	<p>The standstill direction does not apply to any amendments made in the Exiting the European Union: Listing, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019 to the Disclosure Guidance and Transparency Rules sourcebook (DTR) because that instrument makes the necessary transitional provisions in relation to such amendments.</p> <p>The standstill direction does not apply to any amendments made in the Exiting the European Union: Handbooks (Amendments) Instrument 2019 to the Disclosure Guidance and Transparency Rules sourcebook (DTR).</p> <p>Issuers will be required to comply from <i>exitIP completion day</i> with all relevant obligations in DTR subject to the transitional provisions set out in Annex C of the Exiting the European Union: Listing, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019.</p>
37.	UK UCITS management companies managing EEA UCITS scheme	
37.1.	<p>The standstill direction applies in relation to an <i>authorised person</i> who:</p> <p>a) is within scope of the standstill direction described at row 19.6 in Annex A; and</p> <p>b) continues to be the management company of an <i>EEA UCITS scheme</i> (the fund) after <i>exitIP completion day</i>, without compromising that fund's status as a <i>UCITS</i> for the purposes of the law implementing Directive 2009/65/EC (the UCITS Directive) in the <i>Member State</i> where <i>the fund</i> is</p>	<p>From <i>exitIP completion day</i> the ability of an <i>authorised person</i> to passport UCITS management services in the <i>EEA</i> ends, and the provisions in the <i>FCA Handbook</i> which applied to such an <i>authorised person</i> exercising rights under the UCITS Directive cease to exist. However, in certain circumstances, <i>Member States</i> may continue to allow a <i>UK UCITS management company</i>, as that term applied immediately before <i>exitIP completion day</i>, to manage <i>EEA UCITS scheme</i> established in their jurisdictions for a limited period after <i>exitIP completion</i></p>

<p>established,</p> <p>in respect of the <i>rules</i> which applied to that <i>authorised person</i> when performing activities in relation to the fund immediately before exit<u>IP completion</u> day.</p> <p>For the purposes of this standstill direction, a reference in <i>rules</i> to a UK AIFM includes<u>does not include</u> a <i>person</i> falling within the scope of the standstill direction described at row 19.6 in Annex A (amendments to article 51ZA of the <i>Regulated Activities Order</i>).</p>	<p>day.</p> <p>It is therefore necessary to ensure that the <i>rules</i> in the <i>FCA Handbook</i> which applied to such <i>authorised persons</i> immediately before exit day<u>IP completion day</u> in relation to their activities as the management company of an <i>EEA UCITS scheme</i> continue to apply.</p> <p>The effect of applying the standstill direction in the circumstances envisaged in (2) is that an <i>authorised person</i> that was a UK UCITS management company, as that term applied immediately before exit<u>IP completion</u> day, managing an <i>EEA UCITS scheme</i> can continue to comply with the <i>rules</i> which, when made, implemented the UCITS Directive in the UK in relation to that fund.</p>
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