

Background note on the FCA direction to revoke FCA Transitional Direction for the Share Trading Obligation (a direction under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (Transitional Powers of the Financial Regulators))

29 August 2023

Introduction

Regulation 204 of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (the FSMA Regulations 2019) give us the power to revoke a transitional direction on our own initiative.

Purpose of the direction

Paragraph 13 of Part 1 of Schedule 2 of the Financial Services and Markets Act 2023 omits article 23 MiFIR which sets out the UK share trading obligation. As a result, the UK share trading obligation ceases to be an obligation that firms need to comply with.

The purpose of the revocation direction is to give effect to the Financial Services and Markets Act 2023. It therefore wholly revokes the FCA transitional direction for the Share Trading Obligation dated 22 December 2020.

Other

We have provided the Treasury a copy of the direction to revoke without delay.