Brexit:
An update for Asset Managers

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Whilst inevitably not offering all the answers, this Briefing Paper aims to provide an update on Brexit planning matters which are of relevance to asset managers.

Papers published recently from HM Treasury and the FCA set out the UK's planning for a hard Brexit, if there is no deal by March 2019. If the Brexit deal endorsed by the European Council on 25 November is approved, and the March 2019 cliff edge goes away, there may potentially be a second cliff edge at the end of the transitional period, currently intended to end on 31 December 2020.

At the moment, we only have sketchy details of a possible post Brexit deal in the Political Declaration. For financial services, it offers no more than an indication of travel of some sort of equivalence option. It may be that most asset managers will continue to plan on a worst case scenario basis and, in effect, most of these "no deal"arrangements will, sooner or later, be relevant for most asset managers.

In this paper we consider:

- various statutory instruments regarding EU Exit arrangements for MiFID firms, UCITS, AIFs, MMFs, ELTIFs, EuVECAs and EuSEFs which have so far been released by HM Treasury;
- Consultation Papers issued by the FCA setting out how the FCA Handbook may develop with Brexit (CP 18/28 and CP 18/36) and details of the Temporary Permissions Regime (CP 18/29) and the EU's contingency plans;
- take a look at the very brief text regarding financial services contained within the short document which has been published on the possible post Brexit framework.

No deal planning

The papers issued by HM Treasury and the FCA in recent weeks all focus on the "no deal" Brexit scenario.

If a deal is struck and agreed, these will not be required to be in place by March 2019 but it is necessary to be aware of the terms of them: first, because of the continuing uncertainty as to whether or not the Withdrawal Agreement will be finalised with its transitional period; and, secondly, because any such Withdrawal Agreement may simply defer the need to deal with the outcomes post Brexit. These provisions may still remain relevant, with the question simply being when they become relevant.

The first task is to look at the relevant SIs published by HM Treasury regarding collective investment schemes, alternative investment funds and MiFID matters.

A list of the draft statutory instruments published so far (whether in initial draft form issued by the Government or now laid before Parliament) is set out in the Appendix.

Collective investment schemes

The CIS EU Exit SI[1] published by HM Treasury makes provisions for initial changes so that the UK regime can function. The draft sets out the basics for how UK investment fund provisions move forwards.

- ### Eligible managers and depositaries

The provisions for eligible depositaries, trustees, operators and/or managers will become more UK centric:

- For an authorised unit trust, the manager and trustee must each be a body corporate incorporated in the UK, the affairs of each of which must be administered in the UK and they must each have a place of business in the UK.
- For an authorised contractual scheme, the operator and depositary must each be a body corporate incorporated in the UK, the affairs of each of which must be administered in the UK and they must each have a place of business in the UK.
- For an open-ended investment company, the depositary must each be a body corporate incorporated in the UK, and have a place of business in the UK. The sole director must also be a body corporate incorporated in the UK.

At the moment, any type of UK authorised fund must have a depositary that is established and has a place of business in the UK. It is currently possible for EEA firms to establish a branch and receive a top up permission to carry out depositary services in the UK. Branches of EEA firms will be eligible to have a temporary permission, and there is reference to a transitional arrangement which will dis-apply the incorporation requirements for UK authorised funds of the depositary, trustee, operator and/or manager after exit for as long as the firm has the temporary permissions needed. This though seems to presuppose that this only gives a window of opportunity to restructure to an eligible manager or depositary which meets the new UK centric requirements – one would assume for a new subsidiary firm to seek full authorisation in the UK. The current UK branch model operated by some depositaries will have a finite life span unless they seek their own Part 4A permission to act as depositaries and do so only in respect of unauthorised AIFs.

- ### Focus on Section 272 recognition for non UK funds

Except for any temporary continuation of passporting of funds which are recognised funds before exit day and which are subject to the temporary permissions regime, cross border marketing using passports will cease. New Section 272 FSMA

1 The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018 (Draft)

arrangements for individual recognition will be required. We have yet to see details as to any proposals for how the Section 272 recognition regime is to be revised and early sight of these will be important.

- **No UCITS IV mergers**

  Thankfully UCITS IV merger provisions will be removed as they will not be applicable. (There is a somewhat negatively expressed reference to cross border mergers no longer being possible but this will no longer been possible using the UCITS IV procedure in the Directive – nonetheless it ought still to be possible.)

- **Master/feeder restructuring**

  For master/feeder arrangements, these will still apply to UK feeders into EEA master UCITS, but it is expected that EEA UCITS feeder funds will not be allowed to invest in a UK UCITS master fund after exit day – subject of course to European confirmation.

- **New definition of UCITS in FSMA**

  A new Section 236A will be inserted in FSMA which copies over the basic terms of the UCITS definition, so as to create a UK version of the UCITS definition.

  A UCITS will mean an undertaking established in the UK or in an EEA state, with UCITS established in the UK invested in accordance with Chapter 5 of the COLL Sourcebook.

- **Invention of a "UK UCITS" regime**

  Existing UK UCITS schemes will have the new label "UK UCITS".

  The provisions for investment and cash of UK UCITS will essentially continue as now.

  The FCA considered widening the range of eligible investments for UK UCITS funds but, for the present, have resisted this given the potential change of the risk profile of the funds by allowing greater investment in less well-regulated markets or less liquid assets. Reinventing UK retail funds may though be something to address at a future date.

One hopes that going forwards there will be a more imaginative range of UK funds perhaps inventing our own retail fund structures but for the present, and certainly getting rid of the non UCITS retail scheme or NURS label. However, for the present, it is obviously necessary to ensure continuity for existing UK authorised UCITS funds, and so the UK UCITS label is probably the simplest option, at least initially.

AIFs

The AIFM EU Exit SI[2] published by HM Treasury makes preliminary changes so that AIFMD related issues can function going forward. Its terms are followed through in the FCA's comments regarding the Investment Fund Sourcebook ("FUND").

- **New AIF definition in the UK**

  There is to be an invention of an equivalent UK AIFM regime for AIFs managed by UK AIFMs and for AIFMs which may wish to launch new funds.

  The existing AIF definition in the UK provisions will therefore remain for any investment fund that is not subject to the UK UCITS regime – and, ironically, will include EEA UCITS which do not benefit from the temporary permissions regime. (Given the UK's new third country status, from the EU's perspective, remember though that UK UCITS will become AIFs post Brexit.)

  The SI will amend the AIF definition in FSMA so that an AIF will be any investment fund that is not subject to the UK UCITS regime (for which the regime is amended by the CIS Regulations mentioned above).

- **Revised reporting requirements**

  Reporting on portfolio companies and restrictions and asset stripping will only apply to situations where there is control acquired of a UK company (not an EU company).

- **Temporary marketing provisions for incoming funds**

  The draft AIFM Exit Regulations include at Regulation 14 a provision for temporary marketing provisions which are to be inserted as Part 9A of the Alternative Investment Fund Managers Regulations 2013.

  The HM Treasury Statutory Instrument in effect will put EEA AIFMs in the same position as third country AIFs at the moment. So they can notify under Regulation 59 of the UK AIFMD Regulations (on an Article 42 AIFMD basis). In a sense therefore, the UK is perpetuating the AIFMD third country regime for marketing in of funds. This will smooth the process by keeping the status quo for various third country funds from Cayman, US, Channel Islands etc, and give a workable option for EEA funds should they wish to take it.

  Ideally, this will in effect offer a continuation of the generous UK NPPR regime for all comers.

  The Government is indicating that EEA UCITS will continue to benefit from an exemption from the PRIIPs Regulation up to 31 December 2019. This will be confirmed in a further Statutory Instrument and associated policy note.

2. The Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018 (Draft)

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- **Access for non UK funds**

EEA AIFMs' passports will cease to operate and cross border marketing of EEA AIFs under AIFMD will cease, subject in both cases to the temporary permissions regime.

The temporary permissions regime (TPR) will apply to EEA funds and AIFMs only if they have made the relevant notification and only for so long as they remain within that regime - further details of the TPR are set out below.

Once outside the temporary permissions regime, the AIFM will need to meet the relevant national private placement (NPPR) regime provisions in order to continue marketing in the UK.

Going forwards, non-UK funds will need to decide whether to follow either:

(a) the Section 272 FSMA recognition route (however it may be revised)

or

(b) notify under the UK's National Private Placement Regime for marketing to institutional investors in the UK.

To see how this will work out, we need to have further details on any developments in the nature of the Section 272 recognition process which, at the moment, is relatively limited in its practical scope.

Money Market Funds

Money market funds ("MMFs") can be established as either UCITS or AIFs, and a particular SI is expected to deal with relevant deficiencies on Brexit – Money Market Funds (Amendment) (EU Exit) Regulations 2018 Explanatory Information.[3]

The EU Money Market Fund Regulation currently applies to money market funds established in the EEA and a Statutory Instrument will deal with money market funds established in the UK only. Amendments will be introduced so that it requires the manager to be established in the UK with the temporary exception of EEA money market funds currently marketed in the UK via a passport. To ensure UK investors have continued access to EEA funds that are currently marketed in the UK, there should be access via the Temporary Permissions Regime to enable EEA funds and sub-funds that satisfy the relevant conditions to continue to access the UK market on the same basis as they did before exit day at least for a temporary period. After exiting the TPR, funds might be able to access the UK market through the relevant regime for third country funds either by notifying under the National Private Placement Regime under the Alternative Investment Fund Managers Regulations 2013 as amended, or becoming recognised under Section 272 of FSMA – without further authorisation under the UK money market funds regime.

Functions previously held by the Commission will be transferred to the Treasury and functions previously held by ESMA will be transferred to the FCA.

No policy changes are intended to be made by the MMFs SI other than to reflect the UK's new position outside the EU and to smooth the transition to this position.

EuVECAs, EuSEFs and ELTIFs

EuVECAs, EuSEFs and ELTIFs are types of AIFs and we have what is being described by HM Treasury as the legislation relating to AIFMD being "on-shored" via the Alternative Investment Fund Management (Amendment) (EU Exit) Regulations 2018 as explained above.

Further details of proposals specifically for EuVECAs, EuSEFs and ELTIFs have been published in November. Three new SIs are now published in draft[4]. The purpose of these separate SIs for each of the three types of fund is to deal with specific issues.

- Currently UK fund managers, in the case of EuVECAs or EuSEFs, register or, in the case of ELTIFs, apply for authorisation of the fund with the FCA in order to market qualifying funds throughout the EU under the relevant label. This will no longer be possible if there is no deal.

  (References to the EEA passporting system need to come out as these fall away at the point of exit. UK investors are though to have continued access to EEA funds that are currently marketed into the UK through the Temporary Permissions Regime -see the explanation of the TPR for funds below. This will therefore help for a limited period post exit day.)
- These new Regulations will apply to UK AIFMs and funds domiciled in the UK. It will enable UK fund managers to register or be authorised with the FCA in order to market the relevant funds within the UK under the relevant label, which will now be:

  - **Social Entrepreneurship Funds – SEFs;**
  - **Registered Venture Capital Funds – RVECAs; and**
  - **Long-Term Investment Funds – LTIFs.**

  Existing UK managers of EuVECAs, EuSEFs and ELTIFs that are already registered or authorised with the FCA will automatically transfer to the new regime.
- To ensure continuity for investors, the existing investment rules for the three types of vehicles will, for the present, remain unaltered. Consequently, some references to EEA assets being given preferential treatment over third country assets will, for the present, remain.

3. Money Market Funds (Amendment) (EU Exit) Regulations 2018 Explanatory Information

4. The Venture Capital Funds (Amendment) (EU Exit) Regulations 2018 (Draft); The Social Entrepreneurship Funds (Amendment) (EU Exit) Regulations 2018 (Draft); and The Long-Term Investment Funds (Amendment) (EU Exit) Regulations 2018 (Draft)

- Functions previously held by the Commission are transferred to the Treasury and functions previously held by ESMA are transferred to the FCA.

Again, the intention of these SIs is therefore not to make any policy changes other than to reflect the UK's new position outside of the EU and to smooth the transition to this position.

MiFID investment business

MiFID related changes might be the most complex in terms of quantification and location, given the large quantity of MiFID II related documentation. Aside from the need most likely for most UK based asset managers to require an EU based MiFID firm in another EU Member State for certain purposes, there is a need to consider what happens to their existing established UK based MiFID firms.

One expects most UK current UK MiFID firms to mutate into being simply UK authorised investment managers but there is a need to address how they might do so.

Once any temporary permission falls away, although the need for the distinction between UK MiFID firms and Article 3 firms goes, because the UK firms will lose their MiFID II status, and passport, for the present the distinction will remain in UK FCA provisions.

HM Treasury has published its draft MiFID EU Exit SI[5] on the terms expected, transferring functions carried out by the EU authorities to the relevant UK authorities be it the HM Treasury, the Bank of England or the FCA. Generally, the functions of ESMA are to be transferred to the regulators. Functions of the European Commission are to be transferred to HM Treasury.

The draft is quite lengthy, given the complications. The policy approach set out in the MiFID II legislation will not though change after the UK has left the EU: this Statutory Instrument is designed to support the fair, stable and transparent operation of the UK financial market after EU withdrawal and provides for investors to have the same protections they currently enjoy.

Notably:

- The UK regulators will have the power to correct deficiencies in MiFID II binding technical standards if they wish.
- Responsibility for binding technical standards (BTS) will transfer to UK regulators so they can operate effectively immediately on exit day correcting deficiencies, and so that they remain fit for purpose thereafter.
- Third country equivalence decisions will be taken by HM Treasury instead of the Commission's function of taking equivalence decisions for third country regimes.
- For EEA financial services passporting firms, the possibility is introduced of using the temporary permissions regime when the passports go.
- Special provisions are included for the temporary permissions regime so that, where a MiFID firm is operating under it, it will not be in breach of the UK's MiFID Rules if it can demonstrate it complies with the corresponding provisions in the EU's MiFID Rules "substituted compliance". This though will only apply to home state regulator responsibilities.
- Certain detailed provisions where, despite the EU being treated as a third country, there will be certain exceptions to provide a smooth transition for market participants. These include UK firms being able to treat EU UCITS as automatically non complex instruments.
- Various provisions are made for ease of transition. UK firms will be allowed to treat EU UCITS as automatically non-complex instruments so that the appropriateness test need not apply if they continue to be sold to retail clients in the UK.
- Flexibility is being granted to the FCA over how the MiFID II transparency regime is operated during a transitional period of up to four years. It is recognised that an abrupt move to using UK only market data, rather than EU wide market data, would pose operational challenges.
- In addition to temporary powers, other changes will be made to the long term operation of the transparency regime. These will allow the FCA to take into account trading data from other countries other than the UK in determining certain transparency thresholds.
- Firms will continue to be required to submit reports on trades in financial instruments submitted for trading or traded on trading venues in the UK and in the EU, so this will maintain the existing scope of the FCA's monitoring of markets. UK branches of EU firms will report to the FCA in the same way as UK branches of non EEA firms are required to do and UK branches of EEA firms will need to adapt their reporting systems accordingly.

Remember though that this SI only addresses UK issues. Once the UK is a third country, other laws will need to be considered if a firm operates elsewhere, hence most asset managers' plans to utilise an EU based MiFID firm where they really need the passporting out possibility.

Co-operation and information sharing between regulators

There is clearly a concern about ongoing supervisory co-operation, which ought to be reciprocal. Although, in the Statutory Instruments as published, provisions requiring co-operation of information sharing are removed, there is an implicit indication that UK supervisors would prefer to be able to continue sharing information with EU authorities where necessary in the same way as the existing domestic framework for co-operation of information sharing with countries outside the UK already allows for this on a discretionary basis.

5. The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 (Draft)

The fact that the provisions in various items of legislation relating to co-operation and information sharing between authorities are removed, will not preclude UK regulators from sharing information with EU authorities where necessary, as the domestic framework for co-operation and information sharing with countries outside the UK already allows for this on a discretionary basis. It is indicated that it is the UK's firm intention to maintain a high level of mutually beneficial supervisory co-operation with EU and EEA authorities.

The second task is to consider how the FCA is planning ahead in its three published Consultation Papers.

Updating the FCA Handbook

The FCA's Consultation Paper 18/28, published in October, sets out proposed changes to the FCA's Handbook of Rules and Guidance and Binding Technical Standards.

It is described as the "first consultation". This first one is designed only to deal with what is essential – addressing amendments to the Handbook and Binding Technical Standards relating to statutory instruments made under the European Union (Withdraw) Act 2018 ("EUWA"). There is no revisiting of policy decisions in view. (A second consultation is expected later in the Autumn covering binding technical standards and those parts of the Handbook which will be affected by statutory instruments which are yet to be published. There may also be consequentials consulted on as a result of other changes in the UK such as senior managers and certification regime – or the implementation of the Insurance Distribution Directive or further published SIs.)

This consultation is very much part of contingency planning for a hard Brexit assuming no deal and no implementation period. Again, this Consultation Paper is simply planning for the worst case scenario. The FCA is not expecting UK authorised firms to prepare now to implement the changes from the exit day. However, these changes will presumably apply either in the event of no deal or at the end of any transitional/implementation period. (As mentioned above, these changes will come in at some point, whether sooner or later, and subject to any "improvements" which might be secured in any Brexit deal.)

An FCA consultation is not essential but the FCA has chosen to consult. The regulators including the FCA will have the relevant powers pursuant to The Financial Regulators' Powers (Technical Standards etc) (Amendments etc) (EU Exit) Regulations 2018 which were laid before Parliament on 16 July 2018.

It is welcome that the FCA indicate that they will seek to use their powers in a proportionate manner, bearing in mind their statutory objectives and the implementation challenges faced by firms.

Key points include the following:

General approach

- **EU law and regulations**

  In the early stages, EU provisions had to be implemented in UK law. In contrast, more recently EU Regulations have been directly applicable, meaning they did not need to be transposed into UK legislation. Under the EUWA, EU Regulations are incorporated into UK law, and they will be amended to make them work effectively under statutory instruments (SIs). The FCA Handbook will need to be updated to refer to the new or revised UK legislation, rather than the EU equivalent to references to EU law replicated in the Handbooks will need to be updated.

- **Loss of passporting**

  Clearly there will be a loss of EU Directive passports. Consequently, EEA firms, treaty firms, operators and depositaries of UCITS and AIFMs qualifiers will no longer qualify as "authorised persons".

  This is subject to the distinct provisions about the temporary provisions regime discussed below for incoming EEA firms, treaty firms and UCITS and AIFM qualifiers.

  The next CP will also need to cover consequences relating to E-Commerce Directive and Distance Marketing Directive provisions.

- **EU institution references**

  References to EU institutions need to be replaced with the UK equivalent.

  Countless references to EU and EEA Member States will need to be amended.

- **EEA Member States become third countries**

  In the proposals, the FCA have followed the approach of treating EEA Member States the same as any other third country, with the expectation that EEA Member States will do the same with respect to the UK. They reject the notion of maintaining preferential treatment for the EEA in terms of protections provided to EEA consumers.

Specific proposals

- **Agent as client and reliance on others - COBS 2**

  Reliance on information from another investment firm is to be restricted to UK authorised investment firms subject to MiFID or equivalent requirements. References to equivalent requirements in other EEA States in COBS 2.4.5G will be deleted.

- **Client categorisation – COBS 3**

  EEA local public authorities and municipalities will be treated under COBS 3 in the same way as local authority clients based in third countries and so will need to be re-categorised. Firms will need to follow the same quantitative test as applied in relation to MiFID or equivalent third country business under COBS 2.5.3R(2).

- **Disclosures under COBS 6, 9 and 22**

  Various provisions become UK centric. For example, the disclosure of charges, remuneration and commission though refer to clients only in the UK. So in all instances there is investor protection for UK retail clients but some retail clients in the EEA will lose some existing protections.

The position with **binding technical standards** – and general approach – is simple: to ensure that there is a functioning legal framework for UK financial regulation on exit day. Some of the devil though is in the detail. For example:

- Fund management associated standards (BTS): There is to be a further consultation on those which apply in respect of money market funds, EuSEFs, EuVECAs and ELTIFs – only AIFMD and UCITS related ones are proposed for the moment.
- There are 44 BTS relating to MiFID II and, subject to making some of them read a little bit more easily by including user friendly specific provision within each technical standard to define scope and application, their content should continue as now. The FCA's review has really just identified the need to deal with associated Level 1 text such as the scope of definitions and some minor amendments. Careful attention needs to be paid to the transaction reporting provisions.

As regards **Level 3 materials**, the expansive provisions by European Supervisory Authorities (ESAs) and predecessors such as CESR are not to be incorporated into UK law. This will include Level 3 materials of all descriptions including ESMA Q&As.

This approach will give the FCA the opportunity in due course of issuing FCA non Handbook Guidance and an initial proposal is set out in Appendix 3 to CP 18/28. For the present, they indicate that existing Level 3 material will continue to be relevant after exit day and financial institutions are expected to apply it as they did before exit day. Financial institutions are supposed to interpret all EU Level 3 material sensibly and purposefully taking into account the UK's withdrawal from the EU, the provisions of the EUWA, and the amendments made to relevant legislation in the withdrawal process.

The only area where there is to be an immediate proposal for change concerns the EBA Guidelines relating to remuneration requirements in SYSC 19.

The FCA's Consultation Paper 18/36 published on 23 November, sets out some further proposed changes to the FCA's Handbook of Rules and Guidance and comments on the FCA's proposed approach to non-Handbook Guidance.

Proposals in this second consultation include the following:

- Details of how the FCA is planning to resolve "cross-cutting Issues" relating to the Distance Marketing Directive and ECommerce Directive .
- Proposals for appropriateness in relation to MiFID business, with amendments to COBS 10.10A.4.1R – the FCA is proposing to keep the current scope and consider shares and bonds admitted to trading on UK and EEA Regulated Markets as essentially non-complex. This will mean treating shares and bonds admitted to trading on EEA regulated markets differently from those in other third country markets.
- As explained above in relation to the CIS Exit SI, and consistent with that, the FCA Handbook definition of UCITS at post-exit point will incorporate both UK and EEA UCIT S schemes. This enables maintenance of the status quo by regarding UK and EEA UCITS as essentially non-complex.
- The FCA is proposing changes to COBS 13 and 14 to reflect the existing exemption from the PRIIPs Regulation because UCITS fund manufacturers prepare a KIID under the UCITS Directive and a similar exemption applies for manufacturers of non-UCITS retail schemes offered to retail investors where they are subject to similar rules as those that apply in relation to UCITS funds.
- Further details are set out of changes consequent to the introduction of the temporary permissions regime, of which we explain the details below: for example, the changes proposed to be made to SM&CR and APR regimes, and confirming FSCS and FOS scope changes.
- The FCA is suggesting that firms in the TPR should include specific status disclosure in their letters (and electronic equivalents) to retail clients of their authorisation status in line with the current requirements in GEN 4.3.

This second Consultation covers many of the binding and technical standards (BTS) that were not addressed in the first Consultation Paper – but still not all of them. The FCA is matching details issued against areas where proposed amendments are published in a corresponding SI or Policy Note published by the Government, so this Consultation include BTS in respect of MiFID P RIIPs, MMFs , ELTIFs, EuVECAs and EuSEFs.

Of particular note, the PRIIPs regulatory technical standards (RTS 2017/653) are to be amended so that EEA entities are not treated as third country entities under certain RTS provisions related to risk indicators.

There is a very short consultation period and the aim is to give feedback and publish near final instruments in early 2019.

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Temporary Permissions Regime for inbound firms and funds : CP 18/29

The provisions set out in CP18/28 and CP 18/36 explained above comment on the UK regime going forwards. This is subject to any temporary permissions regime which is put in place.

It is probably inevitable that some transitional period will be required. The intention of the TPR is to cover a transitional period to a new end position. Given the very sketchy outline of the new deal and the intention to negotiate it over what have been intended as the transitional period, it may be quite likely that the TPR is still required – and possibly extended? - in order to allow businesses time to transition to whatever the new deal might be. We shall have to wait and see how negotiations develop.

With the prospect of the UK becoming a third country in relation to the EU, there is prospect of EEA firms needing to seek authorisation and EEA investment funds requiring UK recognition in order to continue to access the UK market or market into the UK respectively. Some may choose to adjust their business model so that they do not require permission – for example, some may be able to take advantage of the overseas person exclusions in Article 72 of the Regulated Activities Order, or another exclusion. If there is to be some sort of equivalence regime agreed for post Brexit, some may choose to adjust their business model so that they utilise these equivalence opportunities. Most though, in order to support an ongoing viable business model, may well still need to transition to authorisation.

The following paragraphs set out the information known of the TPR by way of no deal planning as it has currently been explained in HM Treasury and FCA papers.

The UK is planning to offer quite a generous temporary permissions regime, or TPR.

HM Treasury has now finalised the TPR Regulations[6] and, alongside, the FCA has issued its CP18/29. The FCA's Consultation Paper CP18/29 explains in detail the FCA's proposals for the Temporary Permissions Regime for inbound firms and funds.

The FCA claim to have balanced several factors:

- to secure an appropriate level of consumer protection
- to design a regime that temporary permission firms and operators, depositaries and trustees of EEA domiciled investment funds can reasonably be complied with from exit day, which minimises disruption for consumers and other market participants and promotes competition and
- to design a regime which offers a bridge to our domestic regime which will apply to temporary permission firms on obtaining UK authorisation.

The idea therefore is to preserve the status quo as far as possible.

The proposed regime has two distinct limbs:

- **first for EEA firms:**

  The following EEA firms can use the regime:

  - EEA firms which qualify for authorisation before exit day to carry on a regulated activity in line with FSMA's Schedule 3, either on a branch or services basis;
  - a treaty firm which qualifies for authorisation before exit day to carry on a regulated activity in line with FSMA's Schedule 4, whether on a branch or services basis;
  - EEA firms or treaty firms as above but with a top up permission;
  - EEA authorised payment institutions and registered account information service providers; and
  - EEA authorised electronic money institutions.

- **secondly, for funds:**

  As explained in FCA's CP18/9, the funds which can use the regime are:

  - EEA domiciled UCITS funds recognised under Section 264;
  - under the draft UCITS Exit SI published by HM Treasury, there is to be a framework for a temporary permissions regime for EEA UCITS (including EEA money market funds that use a UCITS structure). It will apply to funds or, in the case of umbrellas, relevant sub-funds named on the FCA notification before the UK leaves the EU (but not to new funds or sub-funds); and
  - EEA domiciled AIFs which are entitled to market to professional investors under Regulations 49 or 50 of the Alternative Investment Fund Managers Regulations 2013, which have notified the FCA of a regulator's notice or following approval by the FCA where required; EuVECAs and EuSEFs which have been notified to the FCA for marketing in line with Articles 16(1) of the EuVECA Regulation or Article 17(1) of the EuSEF Regulation; and ELTIFs which are entitled to marketed to all investors or to professional investors only in line with notification procedures for AIFs mentioned above.

  (Note that the funds provisions will not apply to:

  - UK authorised funds (for which they are not necessary);
  - funds marketing into the UK using the exemptions to the Financial Promotion Order or the Promotion of Collective Investment Schemes Exemption Order;
  - non-EEA AIFs marketing through private placement;
  - AIFs which have Section 272 individual recognition; and
  - closed ended investment companies which are officially listed or trading on a regulated UK market.)

The temporary permissions regime is to offer the following key features:

6. The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 No 1149 (the TPR Regulations).

- **a three year transition**

The Temporary Permissions Regime is confirmed to be one which should last for three years from exit day, with the power for the Treasury to extend the regime by no more than twelve months at a time in certain circumstances, as set out in Section 78 of the TPR Regulation.

The temporary permission will come into effect on exit day should there be no implementation period. A temporary permission will last for a maximum of three years, the period varying from firm to firm depending on when they are asked to submit their application for full authorisation to the UK and subsequently leave the Temporary Permissions Regime.

- **for those who contact the relevant regulator**

To benefit from the temporary permissions regime, prior to the exit day, eligible firms and funds will need to submit an application form for UK authorisation or a notification of their intent to enter the TPR regime to the relevant regulator.

(In respect of asset management firms and investment funds, the relevant regulator will be the FCA.) However, note that incoming credit institutions that are not accepting deposits in the UK should contact the FCA. (This might include those passporting safe custody and depositary business.)

If and when the temporary permissions regime is required:

- **the process for firms:**

  Firms will need to notify the relevant regulator that they wish to use the temporary permissions regime. It will be an online process with the notification window opening in early January 2019. Note the notification window will close prior to exit date.

  Once the window has closed, the firms that have not submitted a business application will not be able to use the TPR.

  The details of firms which have temporary permission will be shown in the FS Register.

  The regulator will allocate firms a period, "a landing slot", within which they will need to submit their applications for UK authorisation. After exit day, the regulator will confirm a firm's landing slot so they can start to prepare their application. They expect the first landing slot will be October to December 2019 and the last will be January to March 2021. Firms with the top up permissions will need to seek a variation of permission application rather than an authorisation application.

  It is appreciated of course that some firms will change their plans or restructure and, if a firm changes their plans, they can apply to cancel their temporary permission once they have ceased all UK business.

- **the process for funds**

  The FCA expects the regime to work similarly for investment funds. Fund managers will notify the FCA of which of their funds they want to continue to market in the UK. As with firms, they will start accepting notifications in early January 2019 and the notification window will close prior to exit day.

  The FCA indicates that, once the notification window closed, a fund manager that have not submitted a notification will be unable to use the temporary permissions regime and will not be able to continue marketing the fund in the UK. This seems a rather curious statement. Whilst they cannot continue marketing the fund in the UK on a basis which previously could have been passportable surely they would still be able to continue marketing the fund in the UK on another basis that any unauthorised firm could do so. No doubt further details will be disclosed in due course clarifying this. We assume this sentence is shorthand assuming there is no alternative option, so exemption routes will remain available and so without having any contrary and more restrictive implication.

Under Regulation 12 of the Draft Statutory Instrument for EEA Passport Rights on EU Exit, the person concerned must take certain steps before exit day

- to make an application (whether for permission under Part 4A or, in the case of a person who is already authorised under Section 31(1)(a) in addition to paragraph (b) or (c), for a variation of such permission) where such application has not been determined by the regulator in accordance with Section 55V of FSMA or
- notify the relevant regulator that the person wishes to be treated in accordance with Regulation 6 or 9 – for temporary permission or temporary variation.
- Notifications must be made in such manner as the relevant regulator directs.

Relevant Directions are now being issued and, should there be no Brexit deal, the window would appear to be from 7th January 2019 to 28th March 2019.

- **with a temporary permission**

If there is no implementation period and a firm has notified the FCA that it needs a temporary permission, the temporary permission will come into effect on exit day. It is important to recognise what being within the temporary permissions regime means. Firms in the regime will have a deemed Part 4A permission.

7. The EEA Passport Rights (Amendments, etc., and Transitional Provisions) (EU Exit) Regulations 2018 No 1149

Firms in the TPR regime will be treated as if they were fully authorised in the UK enabling them to carry out activities as before – provided it relates to activities which each firm was permitted to carry on immediately before exit day under their passport.

The core provisions of the finalised Statutory Instrument for EEA passport rights – EU Exit[7] include: under paragraph 9, that a person to whom the Regulation applies shall be treated as if the person has permission to carry on a regulated activity in the United Kingdom under Part 4A of the 2000 Act were varied. The variation is that the regulated activity the person is permitted to carry on includes one which immediately before exit day the person is authorised to carry on in the United Kingdom by virtue of Section 31(1)(b) as an EEA firm by way of passport rights under Schedule 1 or 31(1)(c) as a Treaty firm under Schedule 4.

- **with specified UK rules applying**

With a temporary permission comes UK regulatory implications. To facilitate transition to UK rules, regulators will have powers to phase in UK regulatory requirements.

In CP18/29, the FCA indicate that, generally, temporary permission firms will need to continue to comply with the rules which currently apply to them based on the activities which they carry on whether in the UK or in their Home State or, where relevant, for e-Commerce and distance marketing arrangements, the country from which they are providing services into the UK (the country of origin). Consequently, the FCA will become responsible for the supervision of these Home State rules after Brexit in relation to the firm's UK business. The FCA indicate they will seek to continue to work closely with regulators across Europe to ensure that the firms operating across jurisdictions including temporary permission firms are subject to appropriate oversight.

The FCA assert that they are proposing a balanced approach while they are in a temporary permissions regime to comply in respect of their UK business with

- all FCA Rules which are currently applicable to them;
- all FCA Rules which implement a requirement of an EU Directive which are currently reserved for the firm's Home State and which therefore the FCA does not currently apply to EEA firms – the Home State Rules – accepting **"substituted compliance"** in respect of these rules.
- Consequently, if a firm can demonstrate they continue to comply with equivalent Home State rules in respect of their UK business, they will be deemed to comply with the FCA's Rules and Guidance. This though will not be applied in relation to capital and related requirements because it would require the FCA to oversee the firm's worldwide capital position rather than just supervise it in respect of UK business, which the FCA consider to be neither practical nor appropriate.

  and

- certain additional FCA Rules where the FCA believes it is necessary to provide appropriate consumer protection or relate to funding requirements.

There is an indication of taking a proportionate approach that will enable firms to comply with requirements from day 1 while maintaining an adequate level of consumer protection.

The FCA will have access to a complete set of supervisory powers and tools to ensure firms remain compliant. Firms may have more direct contact with the FCA where the FCA are seeking to identify or reduce harms and the FCA may request information directly where they perceive a risk of harm to consumers or markets.

Additional comments on specific requirements on firms in the temporary permissions regime include:

- **Safeguarding client money and custody assets (client assets)**

  TPR firms would need to report their client asset arrangements to the FCA.

  MiFID II investment firms should provide an English translation of client assets audit reports to the FCA upon the FCA's request or receipt of "an adverse" audit report on the adequacy of the firm's arrangements under their client assets obligations.

  Firms should disclose certain information to UK clients relating to the treatment of their client assets in the event of the firm's failure. Firms must make this disclosure at the point of entry into the regime in a durable medium or via a website providing certain conditions are met.

- **Compensation Scheme**

  Firms in the TPR regime will be required to pay the FSCS levy that funds the Financial Services Compensation Scheme.

  Customers of the EEA branch firms and the TPR (i.e. firms with a UK establishment) will have FSCS protection. It will provide cover equivalent to that available for customers of other UK authorised firms. The FCA also intends to continue to provide FSCS cover in respect of the activities of certain incoming fund managers (without an establishment) that are currently already covered by the FSCS.

  Each of the FCA and PRA make rules which set out how FSCS works and is funded, covering different areas of the financial services industry. The draft SI provides that the FSCS is only to cover UK branches with limited exceptions during the temporary permissions regime in relation to the FCA's areas of responsibility. The FCA's starting point is therefore to provide customers of firms for the UK branches in the regime with FSCS protection equivalent to the cover provided to customers of UK firms. (Customers of firms in a regime without a UK branch will not have access to the FSCS other than where there is an existing FSCS cover in respect of the activities of certain incoming fund managers.)

- **Financial Ombudsman Service**

  The FCA plan to propose including EEA services firms in the compulsory jurisdiction of the FOS and to apply its complaint handling rules, so as to ensure that consumers of these firms are able to refer complaints to an alternative dispute resolution (ADR) scheme on exit. EEA services firms will therefore be required to pay case fees and annual fees which they were not previously required to pay.

- **SM&CR**

  The FCA plan to propose maintaining its current requirements that apply to EEA branch firms under the Senior Managers & Certification Regime (SM&CR) and, until this new regime commences for solo regulated firms, the Approved Persons Regime, throughout their time in the Temporary Permissions Regime. Additional controlled functions and requirements that apply to UK branches of third country firms under SM&CR in the FCA Handbook will only apply once an EEA branch firm in the TPR has been fully authorised as a third country branch.

  A firm will need to apply to the FCA for approval for individuals to hold any additional functions that will apply to them under the third country branch regime.

  The SM&CR and Approved Persons regimes do not currently apply to EEA services firms and the FCA do not plan to propose to change this when these firms moved into the Temporary Permissions Regime. However, the SM&CR will apply once they have been UK authorised as a third country branch on their exit from the Temporary Permissions Regime.

- **Single Financial Guidance Body (SFGB)**

  All firms in the regime should be required to contribute to recovering SFGB costs from the 2019/20 levy fee year (which is already going to be the case for incoming EEA firms with a UK branch).

- **Status disclosure**

  Firms will need to include specific status disclosure in letters (or electronic equivalents) to indicate that they are in the TPR regime.

- **The FCA's Principles for Business**

  As ever the FCA's Principles set out in the FCA's PRIN Sourcebook are important. They should apply generally, in full, to firms in the TPR. If in doubt, the FCA always fall back to the Principles should there be a perceived problem with regulation of a firm and where they cannot point to a specific rule breach.

  Note that CP18/29 specifically refers to Principle 11 – requiring firms to deal with regulators in an open and cooperative way and disclose to the FCA appropriately anything relating to the firm of which the regulator would reasonably expect notice. Temporary permission firms should notify the FCA of anything which falls within the requirements of this Principle. Firms in the temporary provisions regime should therefore be cautious in their approach, having regard to the very wide nature of the Principles for Business, which are UK specific.

• with a view to seeking authorisation

Once a firm is in the TPR regime, it can be directed by the relevant regulator to make an application if it has not already done so within two years from the exit date.

Currently passported in firms use the provisions in Schedule 3 and Schedule 4 of FSMA to which section 31(1)(b) and (c) of FSMA refer respectively. Schedule 3 covers an EEA firm qualifying for authorisation. Schedule 4 covers a Treaty firm qualifying for authorisation. Both of these categories of persons are regarded as authorised for the purposes of FSMA under Section 31 of FSMA. With Brexit, the provisions of Schedules 3 and 4 of FSMA will be removed.

Firms currently within them will need to move either to Section 31(a) status – a person who has a Part 4A permission to carry on one or more regulated activities, or be a person who is otherwise authorised by way of a provision of or made under FSMA.

• in the case of a firm, transitioning to full UK authorisation

This is a transitional regime – a firm transitions to authorisation:
- The FCA will allocate each firm a **three month application period or "landing slot"** when it will need to submit its application for full authorisation in the UK. It is anticipated that the first landing slot will be October to December 2019 followed by a further five landing slots, with the last landing slot closing at the end of March 2021.
- Firms with top up permissions will need to submit a variation of permission application rather than an application for authorisation.
- Firms whose applications are successful will immediately become fully UK authorised and leave the TPR regime.

- If a firm's application is unsuccessful, or a firm does not submit an application by the allotted deadline, or a firm withdraws its application without submitting another it will be eligible to have its temporary permissions cancelled by the PRA or the FCA, as appropriate. Provision can be made for them to wind down their UK regulated activities in an orderly manner and this will be included in a separate statutory instrument.

- **In the case of funds, transitioning to new arrangements:**

  Once any temporary permission falls away, European funds marketing in post Brexit day will have to seek recognition under Section 272 of FSMA so as to become a recognised scheme or alternatively will need to notify the FCA under the current UK National Private Placement Regime Rules.

  The FCA note in CP18/29 that the marketing of investment funds into the UK is not a regulated activity but it is subject to the restrictions on financial promotions. It is therefore the FCA's view that non-UK domiciled funds will always need either to be recognised under Section 272 of FSMA or registered under the National Private Placement Regime to be marketed into the UK after exit day. Consequently, each relevant investment fund will need temporary permission to continue marketing in the UK after Brexit and before registration/recognition.

  The only exceptions will be for those funds which do not need to use the TPR regime – UK authorised funds, funds marketing in under the exemptions to the Financial Promotion Order and Promotion of Collective Investment Schemes Exemptions Order and non EEA AIFs marketed into the UK through private placement including certain feeder funds delegated to a non-EEA master AIF, i.e. those funds which do not need to use the TPR regime in the first instance, as listed above.

- **leading to an orderly end position, whether to UK authorisation or to UK recognition:**

  For inbound passported firms and funds, the aim is to enable them to continue their activities in the UK for a limited period after withdrawal. If there is no implementation period and the passporting regime falls away when the UK leaves the EU, the temporary permissions regime will provide a backstop. It will allow:

  - inbound firms to continue operating in the UK within the scope of their current permissions for a limited period after exit day whilst seeking full UK authorisation; and
  - will also allow funds with a passport to continue marketing in the UK whilst seeking UK recognition. The FCA seem to indicate that they will receive a notification of intention to market both in respect of UCITS schemes (which is obvious for Section 264 FSMA) but also AIFs, which would appear to refer to a current Article 36 notification, but it is unclear quite what will be allowed post exit. Without sight of the end game and, given the considerable UK regulator's caution about promotion of unregulated collective investment schemes, the views on this will need to await publication of more detailed new provisions.

  Nonetheless, the initial indications are encouraging that the FCA propose to ensure that firms and funds which currently access the UK markets can continue to do so and there will be some transition to a new way in which that will be possible on an orderly basis.

CP18/29 explains how the Temporary Permissions Regime is to be funded through fees paid by firms in a regime through periodic fees and special project fees, and funds in a regime through periodic fees. Periodic fees will depend on the relevant fee block. Special project fees are charged to recover exceptional supervisory costs where a firm undertakes certain restructuring transactions (charged where the FCA's additional costs exceed £50,000 where the firm is solely regulated by the FCA). Further details are set out in Section 7 and Annex 4 of the Consultation.

There will be no fee associated with the notification to join the Temporary Permissions Regime. However, the FCA intends that the authorisation fees for firms that exit the TPR will be based on those for UK applicants for authorisation, when they apply for full authorisation. For funds, the periodic fees will be based on the types of funds and number of sub-funds.

EU Commission forward planning

The above commentary of course all refers to UK planning – what advance contingency planning is being to be undertaken by the EU?

So far, we have Communications from the Commission to the European Parliament, the European Council, the Council of the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank. The latest one published on 13 November is entitled "Preparing for the withdrawal of the United Kingdom from the European Union on 30 March 2019: a Contingency Action Plan"[8].

This is effectively the setting out of the EU's "no deal" planning. It follows up on the Commission's first Brexit preparedness Communication of 19 July 2018 and repeats that, irrespective of the scenario envisaged, the United Kingdom's choice will cause significant disruption. This November Communication focusses on a no deal scenario.

8. Preparing for the withdrawal of the United Kingdom from the European Union on 30 March 2019: Strasbourg, 13.11.2018 COM (2018) 880 Final

The section on financial services indicates as follows:

- **No passports:** UK withdrawal results in loss of passporting and so activities of EU operators in the UK will be subject to UK law (for which the UK's proposals are outlined above).

  The **transfer of activities and capacity building** in relevant jurisdictions is noted and "should be accelerated". This obviously can work in both directions, both for EU27 firms operating in the UK and UK firms operating in the EU27.

- **Derivatives contracts:** The Commission indicates that action will be required in relation to cleared derivatives because there might be risks to financial stability in a no deal scenario deriving from a disorderly close out of provisions of EU clearing members in the UK central counterparties. Also, there might be potential risks in relation to certain services provided to EU27 operators by UK central security depositories which cannot be replaced in the short term.

  It is indicated that, should the Commission need to act, it will only do so to the extent necessary to address financial stability risks arising from a withdrawal without an agreement, under strict conditionality and with limited duration. Should no agreement be in place, the Commission will adopt temporary and conditional equivalence decisions in order to ensure that there will be no disruption in central clearing and in depositories services (subject to a favourable vote of Member States in the competent committee).

  These decisions will be complemented by recognition of UK based infrastructures, which are therefore encouraged to pre-apply to ESMA for recognition.

- **Co-operation and MoUs:** The European Supervisory Authorities (ESAs) are encouraged to start preparing co-operation arrangements with UK supervisors to ensure that exchange of information related to financial institutions and actors is possible immediately after the withdrawal date in the case of a no deal scenario.

  This should include co-operation agreements required for delegation under UCITS and AIFMD and for delegation of portfolio management under MiFID. Clearly it is important that ESMA and the FCA conclude discussions on co-operation agreements as soon as possible. The Commission Communication does not mention delegation arrangements in particular but it should be hoped that the result will be confirming that existing delegation arrangements can be continued as a result of this initiative.

Potential post Brexit deal?

The third and longer term key issue is what the post Brexit scenario will be for UK based asset managers and investment funds.

At this stage, it is unfortunately still impossible to say how matters will work out. At the time of writing, even if a deal is agreed, it still needs to be approved by the UK parliament and the EU27 countries.
To set out though the terms published in the outline of the Political Declaration setting out the Framework for the Future Relationship between the EU and the UK, published on 22nd November, it has only three paragraphs relating specifically to financial services.

> *"37. The Parties are committed to preserving financial stability, market integrity, investor and consumer protection and fair competition, while respecting the Parties' regulatory and decision-making autonomy, and their ability to take equivalence decisions in their own interest. This is without prejudice to the Parties' ability to adopt or maintain any measure where necessary for prudential reasons. The Parties agree to engage in close cooperation on regulatory and supervisory matters in international bodies.*
>
> *38. Noting that both Parties will have equivalence frameworks in place that allow them to declare a third country's regulatory and supervisory regimes equivalent for relevant purposes, the Parties should start assessing equivalence with respect to each other under these frameworks as soon as possible after the United Kingdom's withdrawal from the Union, endeavouring to conclude these assessments before the end of June 2020. The Parties will keep their respective equivalence frameworks under review.*
>
> *39. The Parties agree that close and structured cooperation on regulatory and supervisory matters is in their mutual interest. This cooperation should be grounded in the economic partnership and based on the principles of regulatory autonomy, transparency and stability. It should include transparency and appropriate consultation in the process of adoption, suspension and withdrawal of equivalence decisions, information exchange and consultation on regulatory initiatives and other issues of mutual interest, at both political and technical levels."*

Paragraph 77 indicates in relation to "global co-operation" that there should be co-operation including in international fora such as in the areas specified, which include financial stability.

There is also a reference to "*level playing field for open and fair competition*". Competition must be open and fair. Paragraph 79 indicates that provisions to ensure this should cover state aid, competition, social and employment standards, environmental standards, climate change, and relevant tax matters in, building on the level playing field arrangements provided for in the Withdrawal Agreement and commensurate with the overall economic relationship. The reference to some sort of level playing field in tax matters might be worrying given some recent EU suggestions on tax matters?

At this stage though, it is all conjecture. All we can really glean is an overall potential direction of travel with an aim of starting to negotiate some sort of equivalence assessments post departure in March 2019. There is no detail as to what they might be, whether it might offer super equivalence to the existing third country equivalence provisions in MiFID II, what might be invented in relation to third country Article 7 AIFMD matters or invented for UCITS. Paragraph 38 set out above only mentions that both Parties will have equivalence frameworks in place without indicating whether the European ones might be improved and extended.

As Andrew Bailey, the FCA's Chief Executive, indicated in his Mansion House speech on 25 October:

*"**Whatever happens, as the UK becomes a third country, it will operate under a system of equivalence, in the same way as other third countries … One broad outcome is to seek to stay closely aligned to the EU. There are good reasons for doing this**."*

Obviously the FCA's work in the recently published Consultations will *"**demonstrate that on day one, the UK will have the most equivalent framework to the EU of any country in the world**."* The question really is what happens on day two and thereafter.

If there remain uncertainties about the durability of any equivalence regime proposed, - and note that paragraph 39 mentioned above refers to the need for "transparency and appropriate consultation" but not durability of equivalence decisions (and indeed refers to the possibility of withdrawal equivalence decisions) - it may well be that. in practice, asset managers continue to plan, as now, on the worst case scenario basis.

Action points?

Whilst uncertainty and consequent frustration continues, most asset managers have been planning, and inevitably will continue to plan, for the worst case scenario.

If there transpires to be a cliff edge, whether in March 2019 or at the end of any transitional period, at least the HM Treasury and FCA papers explained above outline a way in which an orderly transition to a post Brexit world could be organised, at least from the UK perspective.

Before working through the maze of relevant provisions once we know what the relevant provisions might be, the essential starting point is to know the challenges for your own particular asset management business. As a preliminary and perhaps obvious point, fund managers must be well advanced in their analysis of the issues they face for their business: the precise nature of their starting point. This is vital regardless of the nature of any deal.

Asset managers must ensure that they

- have up to date lists of their fund ranges and existing passport notifications;
- identify if and when the temporary permissions regime should be followed for non UK firms and funds, and consider how they adapt to the new UK authorisation regime, insofar as they wish to market non UK services and funds into the UK;
- for all funds, devise a plan to update documentation to refer to the revised terminology. Notably, there will likely be the need to categorise EEA UCITS funds as non UK AIFs unless, and for such time as, they are covered by the temporary permissions regime; and
- for all fund holdings, segregated mandates and client servicing arrangements, ensure they are aware of the location of all investors and in particular in EU27 Member States for which the position may change.

The vast majority of asset managers will be well advanced in their "worst case scenario" plans. Indeed many are well advanced in implementing those plans. Nonetheless, now is a good time to double check that the specific areas listed above are well analysed so you arrange to take appropriate action as soon as the landscape becomes clearer.

We will update this paper once there is news on whether there is to be a Brexit deal approved – on whether the terms of any post Brexit deal might, potentially, offer any bonus over the no deal scenario for asset management firms or funds explained above.

Appendix: Key relevant statutory instruments (draft and finalised)

1. The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018 (Draft)

2. The Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018 (Draft)

3. Money Market Funds (Amendment) (EU Exit) Regulations 2018 – draft SI awaited but Explanatory Information Memorandum issued

4. The Venture Capital Funds (Amendment) (EU Exit) Regulations 2018 (Draft)

5. The Social Entrepreneurship Funds (Amendment) (EU Exit) Regulations 2018 (Draft)

6. The Long-term Investment Funds (Amendment) (EU Exit) Regulations 2018 (Draft)

7. The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 (Draft)

8. The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (SI 2018/1149)

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