

Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (Text with EEA relevance)

TITLE VIII

**PROVISION OF SERVICES AND PERFORMANCE OF ACTIVITIES
BY THIRD-COUNTRY FIRMS FOLLOWING AN EQUIVALENCE
[^{F1}DETERMINATION] WITH OR WITHOUT A BRANCH**

Article 47

Equivalence [^{F1}determination]

[^{F21} The Treasury may by regulations determine that the legal and supervisory arrangements of a third country ensure all of the following—

- a that firms authorised in that third country to provide investment services or perform investment activities comply with legally binding prudential, organisational and business conduct requirements which have equivalent effect to the relevant UK requirements,
- b that such firms are subject to effective supervision and enforcement ensuring compliance with the applicable legally binding prudential, organisational and business conduct requirements, and
- c that the legal framework of that third country provides for an effective equivalent system for the recognition of investment firms authorised under third country legal regimes.

1A. For the purposes of paragraph 1(a), the relevant UK requirements are the following, as they apply on the day on which the Treasury makes the regulations—

- a the requirements set out in this Regulation;
- b the requirements set out in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms;
- c the requirements set out in CRR rules (as defined in section 144A of FSMA);
- d the requirements set out in Part 9C rules (as defined in section 143F of FSMA);
- e the requirements set out in Directive 2013/36/EU UK law and Directive 2014/65/EU UK law.

1B. The prudential, organisational and business conduct framework of a third country may be considered to have equivalent effect where that framework fulfils all of the following conditions—

- a firms providing investment services or performing investment activities in that third country are subject to authorisation and to effective supervision and enforcement on an on-going basis;
- b such firms are subject to sufficient capital requirements and, in particular, where they provide services or carry out the activities referred to in paragraph 3 or 6 of Part 3 of Schedule 2 to the Regulated Activities Order they are subject to comparable capital requirements to those that would apply if they were established in the United Kingdom;

Changes to legislation: Regulation (EU) No 600/2014 of the European Parliament and of the Council, Article 47 is up to date with all changes known to be in force on or before 04 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- c such firms are subject to appropriate requirements applicable to shareholders and members of their management body;
- d such firms are subject to adequate business conduct and organisational requirements;
- e market transparency and integrity is ensured by preventing market abuse in the form of insider dealing and market manipulation.

1C. When making regulations under paragraph 1, the Treasury must take into account whether the third country is a high-risk third country within the meaning of regulation 33 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692).]

2 [F3The FCA] shall establish cooperation arrangements with the relevant competent authorities of third countries whose legal and supervisory frameworks have been recognised as effectively equivalent in accordance with paragraph 1 [F4or in retained EU law by a decision made by the Commission under paragraph 1 as it had effect in EU law before IP completion day]. Such arrangements shall specify at least:

- a the mechanism for the exchange of information between [F3the FCA] and the competent authorities of third countries concerned, including access to all information regarding the [F5non-United Kingdom] firms authorised in third countries that is requested by [F3the FCA];
- b the mechanism for prompt notification to [F3the FCA] where a third-country competent authority deems that a third-country firm that it is supervising and [F3the FCA] has registered in the register provided for in Article 48 infringes the conditions of its authorisation or other law to which it is obliged to adhere;

F6c

- [F7d the procedures concerning the coordination of investigations and on-site inspections that the FCA considers necessary for the purposes of carrying out its functions under this Regulation, which must include a requirement for the FCA to give prior notice to the competent authority of the third country;
- e the procedures concerning the coordination of other supervisory activities;
- f the procedures concerning a request for data by the FCA under Article 46(6A)(b);
- g the mechanism for the FCA to obtain from a third-country firm providing services or performing activities in accordance with Article 46 further information in respect of the firm's operations by making a request to the competent authority of the third country concerned.]

F83

4 A third-country firm may no longer use the rights under Article 46(1) where [F9the Treasury revokes regulations made] under paragraph 1 of this Article in relation to that third country.

[F105 The FCA must—

- a monitor the regulatory and supervisory developments, the enforcement practices and other relevant market developments in third countries for which determinations made by the Treasury in accordance with paragraph 1 are in force in order to verify that the conditions on the basis of which those determinations were made are still fulfilled, and
- b provide a report of its findings to the Treasury on request.

6 In this Article, “Directive 2013/36/EU UK law” and “Directive 2014/65/EU UK law” mean the law of the United Kingdom which was relied on by the United Kingdom before IP completion day to implement Directive 2013/36/EU or Directive 2014/65/EU (as appropriate), as amended from time to time.]

Changes to legislation: Regulation (EU) No 600/2014 of the European Parliament and of the Council, Article 47 is up to date with all changes known to be in force on or before 04 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

Textual Amendments

- F1** Word in Art. 47 heading substituted (31.12.2020) by [The Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1403\)](#), regs. 1(3), **33(2)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F2** Art. 47(1)-(1C) substituted for Art. 47(1) (1.7.2021) by [Financial Services Act 2021 \(c. 22\)](#), s. 49(5), **Sch. 10 para. 6(2)**; S.I. 2021/739, reg. 3(o)
- F3** Words in Art. 47(2) substituted (31.12.2020) by [The Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1403\)](#), regs. 1(3), **33(2)(c)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F4** Words in Art. 47(2) inserted (31.12.2020) by [The Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1403\)](#), regs. 1(3), **33(2)(c)(iii)** (with savings in S.I. 2019/680, **reg. 11**) (as inserted by S.I. 2020/1385, regs. 1(4), **49(5)**); 2020 c. 1, **Sch. 5 para. 1(1)**
- F5** Words in Art. 47(2) substituted (31.12.2020) by [The Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1403\)](#), regs. 1(3), **33(2)(c)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F6** Art. 47(2)(c) omitted (1.7.2021) by virtue of [Financial Services Act 2021 \(c. 22\)](#), s. 49(5), **Sch. 10 para. 6(3)(a)**; S.I. 2021/739, reg. 3(o)
- F7** Art. 47(2)(d)-(g) inserted (1.7.2021) by [Financial Services Act 2021 \(c. 22\)](#), s. 49(5), **Sch. 10 para. 6(3)(b)**; S.I. 2021/739, reg. 3(o)
- F8** Art. 47(3) omitted (31.12.2020) by virtue of [The Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1403\)](#), regs. 1(3), **33(2)(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F9** Words in Art. 47(4) substituted (31.12.2020) by [The Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1403\)](#), regs. 1(3), **33(2)(e)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F10** Art. 47(5)(6) inserted (1.7.2021) by [Financial Services Act 2021 \(c. 22\)](#), s. 49(5), **Sch. 10 para. 6(4)**; S.I. 2021/739, reg. 3(o)

Changes to legislation:

Regulation (EU) No 600/2014 of the European Parliament and of the Council, Article 47 is up to date with all changes known to be in force on or before 04 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- Art. 47 para. 6 addition by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Art. 47 para. 5 addition by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Art. 47 para. 2 Point (d) addition by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Art. 47 para. 2 Point (a) replacement by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Art. 47 para. 2 Point (c) replacement by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Art. 47 para. 1 replacement by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Art. 47(1A)(a) words inserted by [2023 c. 29 Sch. 2 para. 24](#)

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Title IVa addition by [EUR 2019/2175](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Title VIa addition by [EUR 2019/2175](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Sch. 3 para. 31 revoked by [2023 c. 29 Sch. 2 para. 50\(c\)\(ii\)](#)
- Sch. 3 para. 32 revoked by [2023 c. 29 Sch. 2 para. 50\(c\)\(ii\)](#)
- Art. 2.1(12)(12A) substituted by [2023 c. 29 Sch. 2 para. 8](#)
- Art. 2.1(17) words omitted by [2023 c. 29 Sch. 2 para. 19\(a\)](#)
- Art. 3(4)(5) inserted by [2023 c. 29 Sch. 2 para. 2](#)
- Art. 18-18b substituted for Art. 18 by [2023 c. 29 Sch. 2 para. 10](#)
- Art. 28a inserted by [2023 c. 29 Sch. 2 para. 17](#)
- Art. 46(2A) inserted by S.I. 2018/1403, reg. 33(1)(ba) (as inserted) by [S.I. 2019/710 reg. 16\(15\)\(a\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 16(15)(a) omitted (30.9.2020) by virtue of S.I. 2020/1055, regs. 1(2), 13)
- Art. 46(2A) omitted by [2021 c. 22 Sch. 10 para. 5\(4\)](#)
- Art. 50C(2) words inserted by [2023 c. 29 Sch. 2 para. 26\(2\)](#)
- Art. 50C(3) words inserted by [2023 c. 29 Sch. 2 para. 26\(3\)](#)
- Art. 50C(4) words inserted by [2023 c. 29 Sch. 2 para. 26\(4\)](#)
- Art. 50D(1) words substituted by [2023 c. 29 Sch. 2 para. 27\(2\)\(a\)](#)
- Art. 50D(1) words substituted by [2023 c. 29 Sch. 2 para. 27\(2\)\(b\)](#)
- Art. 50D(2A) inserted by [2023 c. 29 Sch. 2 para. 27\(4\)](#)
- Art. 50D(3) words substituted by [2023 c. 29 Sch. 2 para. 27\(5\)](#)
- Art. 54a addition by [EUR 2019/2175](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)

- Art. 54b addition by [EUR 2019/2175](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)