

*Draft Regulations laid before Parliament under paragraph 2 of Schedule 2 to the European Communities Act 1972 and sections 22B and 429(1) and (2) of, and paragraph 26(2) of Schedule 2 to, the Financial Services and Markets Act 2000, for approval by resolution of each House of Parliament.*

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DRAFT STATUTORY INSTRUMENTS

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**2017 No. 0000**

**FINANCIAL SERVICES AND MARKETS**

**The Risk Transformation Regulations 2017**

*Made - - - - - \*\*\**

*Coming into force in accordance with regulation 1(2)*

The Treasury are a government department designated(1) for the purposes of section 2(2) of the European Communities Act 1972(2) in relation to financial services.

In the opinion of the Treasury, one of the effects of these Regulations is that an activity which is not a regulated activity, within the meaning of the Financial Services and Markets Act 2000(3), will become a regulated activity.

In the opinion of the Treasury, one of the effects of these Regulations is that an activity will become a PRA-regulated activity within the meaning of the Financial Services and Markets Act 2000(4).

A draft of these Regulations has been laid before and approved by a resolution of each House of Parliament in accordance with paragraph 2 of Schedule 2 to the European Communities Act 1972(5) and sections 22B and 429(1) and (2) of, and paragraph 26(2) of Schedule 2 to, the Financial Services and Markets Act 2000(6).

The Treasury, in exercise of the powers conferred by section 2(2) of the European Communities Act 1972(7) and sections 22(1) and (5), 22A, 55C, 284A, 426 and 428(3) of, and paragraph 25 of Schedule 2 to, the Financial Services and Markets Act 2000(8), make the following Regulations:

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- (1) [S.I. 2012/1759](#).
- (2) [1972 c. 68](#). Section 2(2) was amended by section 27 of the Legislative and Regulatory Reform Act 2006 ([c. 51](#)) and by section 3 of, and the Schedule to, the European Union (Amendment) Act 2008 ([c. 7](#)). By virtue of the amendment to section 1(2) made by section 1 of the European Economic Area Act 1993 ([c. 51](#)), regulations may be made under section 2(2) to implement obligations of the United Kingdom created by or arising under the Agreement on the European Economic Area signed at Oporto on 2nd May 1992 (Cm 2073, OJ No L1, 3.11.1994, p.3) and the Protocol adjusting that Agreement signed at Brussels on 17th March 1993 (Cm 2183, OJ No L1, 3.1.1994, p.572).
- (3) [2000 c. 8](#). “Regulated activity” is defined in section 22 of the Act, which has been amended by section 7(1) of the Financial Services Act 2012 ([c.21](#)).
- (4) “PRA-regulated activity” is defined in section 22A of the Financial Services and Markets Act 2000, which was inserted by section 9 of the Financial Services Act 2012.
- (5) Paragraph 2 has been amended by section 27(2)(a) of the Legislative and Regulatory Reform Act 2006.
- (6) Section 55C was inserted by section 11(2) of the Financial Services Act 2012 ([c.21](#)). Section 284A was inserted by sections 31(1) and (2) of the Bank of England and Financial Services Act 2016 ([c.14](#)).
- (7) Section 2(2) has been amended by section 27(2)(a) of the Legislative and Regulatory Reform Act 2006 and section 3(3) of, and the Schedule to, the European Union (Amendment) Act 2008.
- (8) Paragraph 25 of Schedule 2 was amended by sections 8(1) and (2) of the Financial Services Act 2012.

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**Draft Legislation:** This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Risk Transformation Regulations 2017 No. 1212

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