

**2007 No. 108**

**BANKS AND BANKING**

**ELECTRONIC COMMUNICATIONS**

**FINANCIAL SERVICES AND MARKETS**

**INSOLVENCY**

**The Financial Services (EEA State) Regulations 2007**

<i>Made</i>	- - - -	<i>22nd January 2007</i>
<i>Laid before Parliament</i>		<i>23rd January 2007</i>
<i>Coming into force</i>	- -	<i>13th February 2007</i>

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

- (a) measures relating to preventing the use of the financial system for the purpose of money laundering(b);
- (b) measures relating to investment firms and to the provision of investment services and to the operation of regulated markets and clearing or settlement systems(c);
- (c) measures relating to the movement of capital and to payments, between Member States and between Member States and countries which are not Member States(d);
- (d) authorisation of the carrying on of insurance business and the regulation of such business and its conduct(e);
- (e) measures relating to payment systems, and to collateral security provided to the central banks of Member States or to the European Central Bank(f);
- (f) credit and financial institutions and the taking of deposits or other repayable funds from the public, and information society services(g);

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(a) 1972 c. 68; by virtue of the amendment of 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) and the Protocol adjusting that Agreement signed at Brussels on 17th March 1993 (Cm 2183). Section 57(1) of the Scotland Act 1998 (c. 46) provides that despite the transfer to the Scottish Ministers of functions in relation to observing and implementing obligations under Community law, any function of a Minister of the Crown shall continue to be exercisable by him as regards Scotland for the purposes specified in section 2(2) of the European Communities Act 1972.

(b) S.I. 1992/1711.

(c) S.I. 1993/2661.

(d) S.I. 1994/757.

(e) S.I. 1997/2781, under which the Treasury was designated in place of the Secretary of State.

(f) S.I. 1998/2793.

(g) S.I. 2001/3495.

- (g) insolvency of insurers, authorisation and regulation of insurance intermediaries, and collective investment in transferable securities and other liquid assets(a);
- (h) the distance marketing of consumer financial services(b);
- (i) insider dealing and market manipulation(c).

The Treasury make these Regulations in exercise of the powers conferred on them by section 2(2) of that Act:

#### **Citation and commencement**

1. These Regulations may be cited as the Financial Services (EEA State) Regulations 2007, and come into force on 13th February 2007.

#### **Amendment of Schedule 3 to the Financial Services and Markets Act 2000**

2. In Schedule 3 to the Financial Services and Markets Act 2000(d) (EEA Passport Rights), for paragraph 8 substitute—

“8. “EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978(e).”.

#### **Amendment of the Credit Institutions (Protection of Depositors) Regulations 1995**

3. In regulation 2(1) of the Credit Institutions (Protection of Depositors) Regulations 1995(f), for the definition of “EEA State” substitute—

““EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978;”.

#### **Amendment of the Cross-Border Credit Transfers Regulations 1999**

4. In regulation 2(1) of the Cross-Border Credit Transfers Regulations 1999(g), for the definition of “EEA State” substitute—

““EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978;”.

#### **Amendment of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999**

5. In regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999(h), for the definition of “EEA State” substitute—

““EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978;”.

#### **Amendment of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002**

6. In regulation 2(1) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002(i), for the definition of “EEA State” substitute—

““EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978;”.

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(a) S.I. 2002/2840.  
(b) S.I. 2004/1283.  
(c) S.I. 2004/2642.  
(d) 2000 c. 8.  
(e) 1978 c.30; the definition of “EEA state” was inserted by section 26 of the Legislative and Regulatory Reform Act 2006 (c. 51).  
(f) S.I. 1995/1442.  
(g) S.I. 1999/1876.  
(h) S.I. 1999/2979.  
(i) S.I. 2002/1775.

### **Amendment of the Money Laundering Regulations 2003**

7. In regulation 2(1) of the Money Laundering Regulations 2003(a), for the definition of “EEA State” substitute—

““EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978;”.

### **Amendment of the Insurers (Reorganisation and Winding Up) Regulations 2004**

8. In regulation 2(1) of the Insurers (Reorganisation and Winding Up) Regulations 2004(b), for the definition of “EEA State” substitute—

““EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978;”.

### **Amendment of the Credit Institutions (Reorganisation and Winding up) Regulations 2004**

9. In regulation 2(1) of the Credit Institutions (Reorganisation and Winding up) Regulations 2004(c), for the definition of “EEA State” substitute—

““EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978;”.

### **Amendment of the Financial Services (Distance Marketing) Regulations 2004**

10. In regulation 2(1) of the Financial Services (Distance Marketing) Regulations 2004(d), for the definition of “EEA State” substitute—

““EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978;”.

### **Amendment of the Investment Recommendation (Media) Regulations 2005**

11. In regulation 2 of the Investment Recommendation (Media) Regulations 2005(e), for the definition of “EEA State” substitute—

““EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978;”.

22nd January 2007

*Claire Ward*  
*Alan Campbell*  
Two of the Lords Commissioners of Her Majesty’s Treasury

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(a) S.I. 2003/3075.  
(b) S.I. 2004/353.  
(c) S.I. 2004/1045.  
(d) S.I. 2004/2095.  
(e) S.I. 2005/382.

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations substitute a new definition of “EEA State” in paragraph 8 of Schedule 3 to the Financial Services and Markets Act 2000 (c. 8) (“the Act”). Section 425(1) of the Act provides that the definition applies for the purposes of the Act. The existing definition of “EEA State” excludes Bulgaria and Romania which became Community member States on 1st January 2007. It is amended in order correctly to transpose the single market directives (listed in paragraph 1 of Schedule 3 to the Act). The new definition refers to the definition of “EEA state” inserted into the Interpretation Act 1978 (c. 30) by the Legislative and Regulatory Reform Act 2006 (c. 51); it therefore includes all Community member States.

These Regulations also substitute the same new definition of “EEA State” in regulations made by the Treasury under section 2(2) of the European Communities Act 1972 (c. 68) implementing other Community legislation in relation to financial services where the regulations contain a definition in similar terms to paragraph 8 of Schedule 3 to the Act.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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