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STATUTORY INSTRUMENTS

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**2018 No. 1149**

**The EEA Passport Rights (Amendment, etc., and  
Transitional Provisions) (EU Exit) Regulations 2018**

**PART 4**

Transitional provision: miscellaneous

**Financial Services Compensation Scheme - modifications of Part 15 of the Financial Services and Markets Act 2000**

**24.**—(1) Part 15 of the Financial Services and Markets Act 2000 (Financial Services Compensation Scheme) is modified as follows.

(2) Section 213 (the compensation scheme) has effect as if—

(a) after subsection (4), there were inserted—

“(4A) The compensation scheme may not provide for the scheme manager to have the power to impose levies on a person who is not to be regarded as a relevant person by virtue of subsection (9A).”;

(b) after subsection (9), there were inserted—

“(9A) But a person to whom subsection (9B) applies and who, at that time—

(a) has not established a branch in the United Kingdom, and

(b) is treated as if—

(i) the person has permission to carry on a regulated activity by virtue of regulation 8 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018, or

(ii) the person's permission to carry on a regulated activity were varied in accordance with regulation 11 of those Regulations,

is not to be regarded as a relevant person in relation to a regulated activity which the person has permission to carry on by virtue of regulation 8 or 11 of those Regulations.

(9B) This subsection applies to a person who is, immediately before [F<sup>1</sup>IP completion day] —

(a) a credit institution,

(b) an insurance intermediary,

(c) an investment firm,

(d) a mortgage intermediary,

(e) a management company, or

(f) an AIFM in relation to all activities authorised by its home state regulator other than—

**Changes to legislation:** *The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018, Section 24 is up to date with all changes known to be in force on or before 10 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*

- (i) any services specified by Annex I to the alternative investment fund managers directive in respect of an authorised unit trust scheme, an authorised contractual scheme or an authorised open-ended investment company <sup>F2</sup> ...

<sup>F3</sup>(ii) .....

(9C) For the purposes of subsection (9B)—

“AIFM” means an AIFM as defined in Article 4.1(b) of the alternative investment fund managers directive which—

- (a) is, immediately before [<sup>F4</sup>IP completion day], authorised in accordance with Article 6.1 of that directive by its home state regulator to provide services specified by Annex I to that directive, and
- (b) provides those services, or services specified by Article 6.4 of that directive (discretionary portfolio management and non-core services), in the United Kingdom;

“an authorised contractual scheme” has the meaning given by section 237(3);

“an authorised open-ended investment company” has the meaning given by section 237(3);

“an authorised unit trust scheme” has the meaning given by section 237(3);

“collective portfolio management services” means those services set out in Annex II to the UCITS directive which a management company is providing to a UCITS in the United Kingdom;

“credit institution” means a credit institution as defined in Article 4.1(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26th June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 which is, immediately before [<sup>F4</sup>IP completion day], authorised (within the meaning of Article 8 of Directive 2013/36/EU of the European Parliament and of the Council of 26th June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC) by its home state regulator;

<sup>F5</sup> ...

<sup>F6</sup> ...

“insurance intermediary” means an insurance intermediary or an ancillary insurance intermediary as defined in Article 2.1(3) and (4) of Directive 2016/97/EC of the European Parliament and of the Council of 20th January 2016 on insurance distribution (recast) which is, immediately before [<sup>F4</sup>IP completion day], registered (under Article 3 of that Directive) by its home state regulator;

“investment firm” means an investment firm as defined in Article 4.1(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15th May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU which is, immediately before exit, authorised (within the meaning of Article 5 of that Directive) by its home state regulator;

“management company” means a management company as defined in Article 2.1(b) of the UCITS directive which—

- (a) is, immediately before [<sup>F4</sup>IP completion day], authorised (within the meaning of Article 6 of that Directive) by its home state regulator to provide services

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of the kind specified by Article 6.3 of the UCITS directive (management of portfolios of investments) except collective portfolio management services, and

(b) is providing those services in the United Kingdom;

“mortgage intermediary” means—

(a) a credit intermediary as defined in Article 4(5) of Directive 2014/17/EU of the European Parliament and of the Council of 4th February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010, or

(b) a person providing advisory services as defined in Article 4(21) of that Directive,

which is, immediately before [<sup>F4</sup>IP completion day], admitted (in accordance with Article 29.1 of that Directive) by its home state regulator;

“UCITS” means an undertaking for collective investment in transferable securities which is, immediately before [<sup>F4</sup>IP completion day], authorised in accordance with Article 5 of the UCITS directive;

“UK AIF” has the meaning given in regulation 2 of the Alternative Investment Fund Managers Regulations 2013.”

(3) Section 224 (scheme manager's power to inspect documents held by Official Receiver, etc.) has effect as if, after subsection (3), there were inserted—

“(3A) But a person who is not to be regarded as a relevant person for the purposes of section 213, by virtue of subsection (9A) of that section, is not to be regarded as a relevant person for the purposes of this section.”

#### Textual Amendments

- F1** Words in reg. 24(2)(b) substituted (30.12.2020) by [The Financial Services and Economic and Monetary Policy \(Consequential Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1301\)](#), regs. 1, 3, **Sch. para. 2(a)(i)**
- F2** Word in reg. 24(2)(b) omitted (1.1.2024) by virtue of [The Financial Services and Markets Act 2023 \(Consequential Amendments\) Regulations 2023 \(S.I. 2023/1410\)](#), regs. 1(2), **14(a)(i)**
- F3** Words in reg. 24(2)(b) omitted (1.1.2024) by virtue of [The Financial Services and Markets Act 2023 \(Consequential Amendments\) Regulations 2023 \(S.I. 2023/1410\)](#), regs. 1(2), **14(a)(ii)**
- F4** Words in reg. 24(2)(b) substituted (30.12.2020) by [The Financial Services and Economic and Monetary Policy \(Consequential Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1301\)](#), regs. 1, 3, **Sch. para. 2(a)(ii)**
- F5** Words in reg. 24(2)(b) omitted (1.1.2024) by virtue of [The Financial Services and Markets Act 2023 \(Consequential Amendments\) Regulations 2023 \(S.I. 2023/1410\)](#), regs. 1(2), **14(b)(i)**
- F6** Words in reg. 24(2)(b) omitted (1.1.2024) by virtue of [The Financial Services and Markets Act 2023 \(Consequential Amendments\) Regulations 2023 \(S.I. 2023/1410\)](#), regs. 1(2), **14(b)(ii)**

#### Commencement Information

- I1** Reg. 24 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, **Sch. 5 para. 1(1)**), see reg. 1(3)

**Changes to legislation:**

The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018, Section 24 is up to date with all changes known to be in force on or before 10 July 2024.

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**Changes and effects yet to be applied to :**

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)