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STATUTORY INSTRUMENTS

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**2019 No. 679**

**The Uncertificated Securities (Amendment  
and EU Exit) Regulations 2019**

**PART 3**

**Amendment of subordinate legislation**

**Amendments to the Uncertificated Securities Regulations 2001**

- 4.—(1) The Uncertificated Securities Regulations 2001(1) are amended as follows.
- (2) In regulation 3(1) (interpretation)—
- (a) in the appropriate place insert—
- ““CSD regulation” means Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories;”;
- (b) for the definition of “Operator”(2) substitute—
- ““Operator” means a person operating or proposing to operate a relevant system subject to these Regulations, who is—
- (a) a recognised CSD within the meaning of section 285(1)(e) of the 2000 Act(3),
- (b) an EEA CSD within the meaning of section 285(1)(f) of the 2000 Act, or
- (c) a third country CSD within the meaning of section 285(1)(g) of the 2000 Act;”;
- (c) in the definition of “settlement”(4), omit “except in paragraph 28 of Schedule 1,”.
- (3) Omit regulation 4(5) (applications for approval).
- (4) For regulation 5(6) (grant and refusal of approval) substitute—

**“Operating conditions for relevant system**

5. Schedule 1(7) contains the requirements which must be satisfied with respect to the Operator, the Operator’s rules and practices and the relevant system.”.

- (5) In regulation 6(8) (fees charged by the Bank of England)—
- (a) omit paragraph (1);
- (b) omit sub-paragraph (a) of paragraph (3).

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(1) [S.I. 2001/3755](#).

(2) The definition of “Operator” was amended by [S.I. 2013/632](#).

(3) [2000 c.8](#); paragraphs (e) to (g) of section 285(1) were inserted by [S.I. 2017/1064](#).

(4) The definition of “settlement” was amended by [S.I. 2007/124](#).

(5) Regulation 4 was amended by [S.I. 2013/632](#).

(6) Regulation 5 was amended by [S.I. 2013/632](#).

(7) Schedule 1 was amended by [S.I. 2003/1633](#), [2007/124](#), [2013/472](#), [2013/504](#), [2013/632](#), [2013/3115](#) and [2017/701](#).

(8) Regulation 6 was amended by [S.I. 2013/632](#).

- (6) Omit regulation 7<sup>(9)</sup> (withdrawal of approval).
- (7) Omit regulation 12<sup>(10)</sup> (international obligations).
- (8) Omit regulation 13<sup>(11)</sup> (prevention of excessive regulatory provision).
- (9) In Schedule 1 (requirements for approval of a person as Operator)—
- (a) for the heading substitute “Requirements for operation of a relevant system”;
  - (b) omit paragraphs 1 to 4;
  - (c) in paragraph 5—
    - (i) for sub-paragraph (1) substitute—
      - “(1) A relevant system must satisfy the requirements of sub-paragraphs (3) to (6).”;
    - (ii) omit sub-paragraph (2);
    - (iii) in sub-paragraph (3)—
      - (aa) for paragraph (a) substitute—
        - “(a) in accordance with the specifications of the Operator, and those specifications shall provide that each dematerialised instruction is identifiable as being from the computers of the Operator or of a particular system-participant; or”;
      - (bb) in paragraph (b) omit “and” at the end of sub-paragraph (i) and omit sub-paragraph (ii);
    - (iv) in sub-paragraph (7), in the definition of “depository” after ““depository” means” insert “a CSD within the meaning of the CSD regulation or”;
  - (d) omit paragraphs 6 to 8;
  - (e) omit paragraphs 10 and 11;
  - (f) omit paragraphs 23 and 24;
  - (g) omit paragraph 25(a) and (d);
  - (h) omit paragraphs 27 and 28.
- (10) Omit Schedule 2 (prevention of excessive regulatory provision).
- (11) In Schedule 3<sup>(12)</sup> (procedure for refusal or withdrawal of approval as Operator, or for giving directions etc.)—
- (a) for the heading substitute “Procedure for giving directions”;
  - (b) in paragraph 1 omit sub-paragraphs (a) and (b);
  - (c) in paragraph 2(a) omit “refuse the application, withdraw the approval or”;
  - (d) in paragraph 5 omit “refuse the application, withdraw the approval, or”;
  - (e) in paragraph 6(1)—
    - (i) omit sub-paragraphs (a) and (b);
    - (ii) after “decision” insert “and the reasons for its decision”;
  - (f) after paragraph 6 insert—

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<sup>(9)</sup> Regulation 7 was amended by [S.I. 2001/3755](#) and [2013/632](#).

<sup>(10)</sup> Regulation 12 was amended by [S.I. 2011/1043](#) and [2013/632](#).

<sup>(11)</sup> Regulation 13 was amended, and Schedule 2 was substituted, by [S.I. 2013/632](#).

<sup>(12)</sup> Schedule 3 was amended by [S.I. 2013/632](#).

“9. If the Bank of England decides to give the direction, the Operator may refer the matter to the Upper Tribunal.

10. Part 9 of the 2000 Act (hearings and appeals) applies to a reference to the Upper Tribunal under paragraph 9 as it applies to a reference to the Upper Tribunal under the 2000 Act, with the following modifications—

- (a) a reference is a “disciplinary reference” for the purposes of section 133 of the 2000 Act(13) if it is in respect of a decision to give a direction under this Schedule;
- (b) section 133(1)(a) and (c) of the 2000 Act does not apply.”;
- (g) omit paragraphs 7 and 8.

### **Consequential amendment to the Stamp Duty Reserve Tax Regulations 1986**

5. In regulation 2 of the Stamp Duty Reserve Tax Regulations 1986(14) (interpretation), for paragraph (a) of the definition of “operator” substitute—

“an Operator for the purposes of regulation 3(1) of the Treasury Regulations operating a relevant system within the United Kingdom;”

### **Consequential amendments to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001**

6. In article 45 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(15) (sending dematerialised instructions)—

- (a) in paragraph (1), for “in respect of which an Operator is approved under the 2001 Regulations” substitute “within the meaning of the 2001 Regulations”;
- (b) in paragraph (3)(b) omit ““Operator””.

### **Consequential amendment to the Financial Services and Markets Act 2000 (Exemption) Order 2001**

7. In Part 3 of the Schedule to the Financial Services and Markets Act 2000 (Exemption) Order 2001(16) (persons exempt in respect of any regulated activity mentioned in article 5(1)), omit paragraph 37.

### **Consequential amendment to the Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001**

8. In the Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001(17), in Schedule 2, in the first column, for the entry commencing “A person approved” substitute—

“A person that is an Operator of a relevant system under the Uncertificated Securities Regulations 2001(18) (within the meaning of those regulations)”.

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(13) Section 133 was substituted by S.I. 2010/22 and amended by section 23 of the Financial Services Act 2012, paragraph 83 in Part 3 of Schedule 9 to the Crime and Courts Act 2013 (c.22), section 4 of the Financial Services (Banking Reform) Act 2013 and S.I. 2013/1388, 2014/3329, 2016/680 and 2017/1064.

(14) S.I. 1986/1711. Regulation 2 was inserted by S.I. 1997/2430.

(15) S.I. 2001/544. Article 45 was amended by S.I. 2001/3544 and 2002/682.

(16) S.I. 2001/1201. Paragraph 37 was amended by S.I. 2013/504.

(17) S.I. 2001/2188.

(18) S.I. 2001/3755.

**Consequential amendment to the Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014**

**9.**—(1) The Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014(**19**) is amended as follows.

(2) In Article 13(11) (prohibitions: inter-bank payment systems), in paragraph (a) of the definition of “inter-bank payment system”—

- (a) in sub-paragraph (i), after “a recognised clearing house” insert “or recognised CSD, in each case”;
- (b) for sub-paragraph (ii) substitute—
  - “(ii) the Operator of a relevant system for the purposes of the Uncertificated Securities Regulations 2001;”.