
STATUTORY INSTRUMENTS

2021 No. 1376

The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021

PART 4

Amendment of Retained Direct EU Legislation

Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive

27.—(1) Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing [Directive 2014/65/EU](#) of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive⁽¹⁾ is amended as follows.

(2) In Article 2 (definitions), after point (16)⁽²⁾ insert—

“(16A) “[Directive 2013/36/EU](#) UK law” means the law of the United Kingdom or any part of it, which was relied on by the United Kingdom immediately before IP completion day to implement [Directive 2013/36/EU](#)⁽³⁾ and its implementing measures:

- (a) as it has effect on 1 January 2022, in the case of rules made by the PRA under FSMA; and
- (b) as amended from time to time, in all other cases.

(16B) “Part 9C rules” has the meaning given in section 143F(1) of FSMA.

(16C) “CRR rules” has the meaning given in section 144A of FSMA.”.

(3) In Article 41 (additional requirements in relation to advice, distribution and self-placement)⁽⁴⁾, for paragraph 4 substitute—

“4. Investment firms which offer financial instruments that are issued by themselves or other group entities to their clients and that are included in the calculation of prudential requirements specified in [Regulation \(EU\) No 575/2013](#), CRR rules, [Directive 2013/36/EU](#) UK law, Part 9C rules, or the law of the United Kingdom or any part of the United Kingdom (“the UK law”) which was relied on by the United Kingdom immediately before IP completion day to implement [Directive 2014/49/EU](#) of the European Parliament and of the Council⁽⁵⁾, must provide those clients with additional information explaining the

(1) EUR 2017/565 OJ L 87, 31.3.2017, p. 1–83.

(2) Point (16) was inserted by [S.I. 2018/1403](#).

(3) EUR 2013/36.

(4) Article 41 was amended by [S.I. 2018/1403](#).

(5) EUR 2014/49/EU OJ L 173, 12.6.2014, p. 149–178.

differences between the financial instrument and bank deposits in terms of yield, risk, liquidity and any protection provided in accordance with the UK law which was relied on by the United Kingdom immediately before IP completion day to implement [Directive 2014/49/EU](#) of the European Parliament and of the Council.”.