

**EXITING THE EUROPEAN UNION: GLOSSARY (AMENDMENTS) INSTRUMENT
2019**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of:
- (1) regulation 3 of the Financial Regulators’ Powers (Technical Standards) (Amendment etc.) (EU Exit) Regulations 2018;
 - (2) the following provisions of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 59 (Approval for particular arrangements);
 - (b) section 59AB(1) (Specifying functions as controlled functions: transitional provision);
 - (c) section 60 (Applications for approval);
 - (d) section 60A (Vetting candidates by authorised persons);
 - (e) section 61 (Determination of applications);
 - (f) section 63E (Certification of employees by authorised persons);
 - (g) section 63F (Issuing of certificates);
 - (h) section 64A (Rules of conduct);
 - (i) section 137A (the FCA’s general rules);
 - (j) section 137B (FCA General rules: clients’ money, right to rescind etc);
 - (k) section 137R (Financial promotion rules);
 - (l) section 137SA (Rules to recover expenses - single financial guidance body);
 - (m) section 137SB (Rules to recover debt advice expenses incurred by the devolved authorities);
 - (n) section 137T (General supplementary powers);
 - (o) section 139A (Power of the FCA to give guidance);
 - (p) section 213 (The compensation scheme);
 - (q) section 214 (General);
 - (r) section 226 (Compulsory jurisdiction);
 - (s) section 234 (Industry funding);
 - (t) paragraph 13 (FCA’s rules) of Schedule 17;
 - (u) section 266 (Disapplication of rules);
 - (v) section 333T (Funding of action against illegal money lending);
 - (w) section 395 (The [FCA’s and PRA’s] Procedures); and
 - (x) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority);
 - (3) the relevant powers and related provisions referred to in schedule 4 to the General Provisions of the FCA Handbook;
 - (4) regulation 120 (Guidance) of the Payment Services Regulations 2017;
 - (5) regulation 60 (Guidance) of the Electronic Money Regulations 2011;

(6) the following provisions of the Electronic Money, Payment Services and Payment Systems (Amendment and Transitional Provisions) (EU Exit) Regulations 2018 (SI 2018/1201):

- (a) regulation 35 of part 3 of schedule 3 (Power to charge fees); and
- (b) regulation 12K of part 1A of schedule 3 (Power to charge fees).

(7) the following provisions of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (SI 2019/632):

- (a) regulation 206; and
- (b) regulation 208.

(8) the relevant powers of the Credit Ratings Agencies (Amendments etc.) (EU Exit) Regulations 2019 (SI 2019/266):

- (a) regulation 5 (Guidance);
- (b) regulation 8 (Statement of policy);
- (c) regulation 18 (Information gathering and investigations)); and
- (d) regulation 19 (Notices).

(9) the relevant powers and related provisions of the Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendments etc. and Transitional Provision) (EU Exit) Regulations 2019 (SI 2019/335):

- (a) regulation 69 (Statement of policy);
- (b) regulation 71 (Powers to issue guidance);
- (c) regulation 75 (Application of Part 11 of the Act (information gathering and investigations)); and
- (d) regulation 76 (Application of Part 26 of the Act (notices)).

B. The rule-making provisions referred to above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force on exit day as defined in the European Union (Withdrawal) Act 2018.

Amendments to the Handbook

D. The Glossary of definitions is amended in accordance with the Annex to this instrument.

- E. The Financial Conduct Authority confirms and removes in the Glossary of definitions the defined expressions relating to any UK legislation which has been amended further to section 8 of the European Union (Withdrawal) Act 2018.

Notes

- F. In this instrument, notes shown as “Note:” are intended for the convenience of the reader but do not form part of the legislative text.

Citation

- G. This instrument may be cited as the Exiting the European Union: Glossary (Amendments) Instrument 2019.

By order of the Board
28 March 2019

Annex

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

<i>AIFMD BTS</i>	means the <i>UK</i> version of Commission Delegated Regulation (EU) No. 694/2014 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to regulatory technical standards determining types of alternative investment fund managers, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>Annex I activities</i>	has the meaning in article 4(1)(26A) of the <i>UK CRR</i> .
<i>Capital Requirements Regulations 2013</i>	the Capital Requirements Regulations 2013 (SI 2013/3115).
<i>CASS large TP firm</i>	has the meaning in <i>CASS</i> 14.2.8R (<i>CASS</i> firm types).
<i>CASS medium TP firm</i>	has the meaning in <i>CASS</i> 14.2.8R (<i>CASS</i> firm types).
<i>CASS small TP firm</i>	has the meaning in <i>CASS</i> 14.2.8R (<i>CASS</i> firm types).
<i>credit rating agency</i>	(as defined in Article 3(1)(b) of the <i>CRA Regulation</i>) means a legal person whose occupation includes the issuing of credit ratings on a professional basis.
<i>CRA Regulation</i>	means the <i>UK</i> version of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council of 11 May 2011 amending Regulation (EC) No 1060/2009 on credit rating agencies and Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 amending Regulation (EC) No 1060/2009 on credit rating agencies) which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>CRA (EU Exit) Regulations</i>	the Credit Rating Agencies (Amendments etc.) (EU Exit) Regulations 2019 (SI 2019/266).
<i>CRR ITS on supervisory reporting</i>	the <i>UK</i> version of Regulation (EU) 2015/1278 of 9 July 2015 amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions as regards instructions, templates and definitions which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>CRD ITS on templates,</i>	the <i>UK</i> version of Regulation (EU) 2016/2070 of 14 September 2016 laying down implementing technical standards for templates, definitions and IT-solutions to be used by institutions when reporting in

<i>definitions and IT-solutions</i>	accordance with Article 78(2) of the <i>CRD</i> which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>CRD RTS on the identification of the geographical location of credit exposures for calculating institution-specific countercyclical capital buffer rates</i>	the <i>UK</i> version of Regulation (EU) No 1152/2014 of 4 June 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards on the identification of the geographical location of the relevant credit exposures for calculating institution-specific countercyclical capital buffer rates which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>CRO firm</i>	<p>(in accordance with the <i>EU Exit Passport Regulations</i> and the <i>E-money and Payments Transitional Provisions Regulations</i>) a person who is:</p> <ul style="list-style-type: none"> (a) exempt for the purposes of section 19(1)(b) of the <i>Act</i> under regulation 47 of the <i>EU Exit Passport Regulations</i>; or (b) exempt for the purposes of Regulation 12L of Part 1A of Schedule 3 of the <i>E-money and Payments Transitional Provisions Regulations</i>; or (c) an EEA authorised payment institution exempt for the purposes of Regulation 36 of Part 3 of Schedule 3 of the <i>E-money and Payments Transitional Provisions Regulations</i>; or (d) An EEA registered account information service provider exempt for the purposes of Regulation 36 of Part 3 of Schedule 3 of the <i>E-money and Payments Transitional Provisions Regulations</i>
<i>EEA PTV firm</i>	<p>either of the following:</p> <ul style="list-style-type: none"> (a) a <i>TP firm</i>; or (b) (for as long as the standstill direction remains in force) any <i>firm</i> that has its registered office (or, if it has no registered office, its head office) in an <i>EEA State</i>. <p>For these purposes, the standstill direction means the standstill direction as defined in the direction made by the FCA under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 that came into force on <i>exit day</i> and is titled “FCA Transitional Direction”.</p>
<i>EU auction regulation</i>	the <i>EU</i> version of Regulation (EU) No. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme

	for greenhouse gas emission allowances trading within the Community).
<i>EU benchmarks regulation</i>	the <i>EU</i> version of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
<i>EU CRR</i>	the <i>EU</i> version of Regulation (EU) No. 575/2013 of the European Parliament and the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.
<i>EU EMIR</i>	the <i>EU</i> version of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories.
<i>EU Exit Passport Regulations</i>	the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018, SI 2018/1149.
<i>EEA State compensation scheme</i>	a compensation scheme, akin to the <i>FSCS</i> , in an <i>EEA State</i> .
<i>EU MiFIR</i>	the <i>EU</i> version of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.
<i>EU OTF</i>	(as defined in Article 2(1)(15B) of <i>MiFIR</i>) means a multilateral system: <ul style="list-style-type: none"> (a) which is not a regulated market or an MTF; (b) in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments directive of 15 May 2014.
<i>EU regulated market</i>	(as defined in Article 2(1)(13B) of <i>MiFIR</i>) means a regulated market which is authorised and functions regularly and in accordance with Title III of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments directive of 15 May 2014.
<i>EU Securities Financing Transactions Regulation</i>	the <i>EU</i> version of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

<i>EUWA</i>	the European Union (Withdrawal) Act 2018.
<i>exit day</i>	as defined in section 20(1) of the <i>EUWA</i> , means <ol style="list-style-type: none"> (1) if, in accordance with article 1 of European Council Decision (EU) 2019/476 of 22 March 2019, the period provided for in article 50(3) of the Treaty on European Union is extended until 22 May 2019, 11.00 p.m. on that day, or (2) if not, 11.00 p.m. on 12 April 2019, or such date as is specified further to section 20(2) to (5).
<i>E-money and Payments Transitional Provisions Regulations</i>	the Electronic Money, Payment Services and Payment Systems (Amendment and Transitional Provisions) (EU Exit) Regulations 2018, SI 2018/1201.
<i>General data protection regulation</i>	the <i>UK</i> version of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>Insolvency Proceedings Regulation</i>	the <i>UK</i> version of Regulation (EC) No.1346/2000 on 29 May 2000 on insolvency proceedings, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>LTIF</i>	a long-term investment fund (as defined in the <i>LTIF regulation</i>) authorised under the <i>LTIF Regulation</i> .
<i>LTIF Regulation</i>	the <i>UK</i> version of Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>MAR Level 2 Regulations</i>	<ol style="list-style-type: none"> (1) the <i>UK</i> version of Commission Delegated Regulation (EU) 2016/909 of 1 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the content of notifications to be submitted to competent authorities and the compilation, publication and maintenance of the list of notifications, which is part of <i>UK</i> law by virtue of the <i>EUWA</i>; (2) the <i>UK</i> version of Commission Implementing Regulation (EU) 2016/378 of 11 March 2016 laying down implementing technical standards with regard to the timing, format and template of the submission of notifications to competent authorities according to Regulation (EU) No 596/2014 of the

European Parliament and of the Council, which is part of *UK* law by virtue of the *EUWA*;

- (3) the *UK* version of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, which is part of *UK* law by virtue of the *EUWA*;
- (4) the *UK* version of Commission Delegated Regulation (EU) 2016/522 of 17 December 2015 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards an exemption for certain third countries public bodies and central banks, the indicators of market manipulation, the disclosure thresholds, the competent authority for notifications of delays, the permission for trading during closed periods and types of notifiable managers' transactions, which is part of *UK* law by virtue of the *EUWA*;
- (5) the *UK* version of Commission Delegated Regulation (EU) 2016/960 of 17 May 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the appropriate arrangements, systems and procedures for disclosing market participants conducting market soundings, which is part of *UK* law by virtue of the *EUWA*;
- (6) the *UK* version of Commission Implementing Regulation (EU) 2016/959 of 17 May 2016 laying down implementing technical standards for market soundings with regard to the systems and notification templates to be used by disclosing market participants and the format of the records in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, which is part of *UK* law by virtue of the *EUWA*;
- (7) the *UK* version of Commission Delegated Regulation (EU) 2016/908 of 26 February 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council laying down regulatory technical standards on the criteria, the procedure and the requirements for establishing an accepted market practice and the requirements for maintaining it, terminating it or modifying the conditions for its acceptance, which is part of *UK* law by virtue of the *EUWA*;
- (8) the *UK* version of Commission Delegated Regulation (EU) 2016/957 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the appropriate arrangements, systems and procedures as well as notification templates to be used for preventing, detecting and reporting

abusive practices or suspicious orders or transactions, which is part of *UK* law by virtue of the *EUWA*;

- (9) the *UK* version of Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, which is part of *UK* law by virtue of the *EUWA*;
- (10) the *UK* version of Commission Implementing Regulation (EU) 2016/347 of 10 March 2016 laying down implementing technical standards with regard to the precise format of insider lists and for updating insider lists in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, which is part of *UK* law by virtue of the *EUWA*;
- (11) the *UK* version of Commission Implementing Regulation (EU) 2016/523 of 10 March 2016 laying down implementing technical standards with regard to the format and template for notification and public disclosure of managers' transactions in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, which is part of *UK* law by virtue of the *EUWA*;
- (12) the *UK* version of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest, which is part of *UK* law by virtue of the *EUWA*;

*Material Risk
Takers Regulation*

the *UK* version of Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile, which is part of *UK* law by virtue of the *EUWA*.

new sub-fund

a *sub-fund* within the meaning of regulation 61(3)(a) of the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations [2019]

non-UK AIF

an *AIF* which is not a *UK AIF*.

non-UK AIFM

an *AIFM* which is not a *UK AIFM*.

<i>onshored regulation</i>	a regulation made pursuant to the <i>Treaty</i> and which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>overseas SMCR banking firm</i>	a <i>firm</i> identified as an overseas banking firm in the decision tree in <i>SYSC 23</i> Annex 1 (Definition of SMCR firm and different types of SMCR firms) and Part Four of that Annex.
<i>pre-exit incoming EEA firm</i>	(in <i>COMP</i>) an EEA firm, or Treaty firm, that, before <i>exit day</i> , exercised its right to carry on a regulated activity in the United Kingdom, and qualified for authorisation, within the meaning of, and in accordance with, respectively, section 193(1)(a) and Schedule 3 of the <i>Act</i> (EEA Passport Rights), or section 193(1)(b) and Schedule 4 of the <i>Act</i> (Treaty Rights), as from time to time in force before <i>exit day</i> .
<i>Prospectus RTS Regulation 1</i>	the <i>UK</i> version of Commission Delegated Regulation (EU) No 382/2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>Prospectus RTS Regulation 2</i>	the <i>UK</i> version of Commission Delegated Regulation (EU) 2016/301 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for approval and publication of the prospectus and dissemination of advertisements and amending Commission Regulation (EC) No 809/2004, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>Regulatory technical standards 1152/2014</i>	the <i>UK</i> version of Regulation (EU) No 1152/2014 of 4 June 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards on the identification of the geographical location of the relevant credit exposures for calculating institution-specific countercyclical capital buffer rates which is part of <i>UK</i> law as a result of section 3 of the <i>EUWA</i> .
<i>RRD Regulation</i>	the <i>UK</i> version of Commission Delegated Regulation (EU) 2016/1075 of 23 March 2016 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the content of recovery plans, resolution plans and group resolution plans, the minimum criteria that the competent authority is to assess as regards recovery plans and group recovery plans, the conditions for group financial support, the requirements for independent valuers, the contractual recognition of write-down and conversion powers, the procedures and contents of notification requirements and of notice of suspension and the operational functioning of the resolution colleges, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>RVECA</i>	a qualifying venture capital fund (as defined in the <i>RVECA Regulation</i>).

<i>RVECA manager</i>	the manager of a qualifying venture capital fund (as defined in the <i>RVECA Regulation</i>) that is registered in accordance with article 14 of the <i>RVECA Regulation</i> .
<i>RVECA Regulation</i>	the <i>UK</i> version of Regulation (EU) No 345/2013 of the European Parliament and the Council of 17 April 2013 on European venture capital funds, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>securitisation repository</i>	a legal person that centrally collects and maintains the records of securitisations.
<i>SEF</i>	a qualifying social entrepreneurship fund (as defined in the <i>SEF Regulation</i>).
<i>SEF manager</i>	the manager of a qualifying social entrepreneurship fund (as defined in the <i>SEF Regulation</i>) that is registered in accordance with article 15 of the <i>SEF Regulation</i> .
<i>SEF Regulation</i>	the <i>UK</i> version of Regulation (EU) No 346/2013 of the European Parliament and the Council of 17 April 2013 on European social entrepreneurship funds, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>SSR Delegated Regulation 1</i>	the <i>UK</i> version of Commission Delegated Regulation (EU) No 826/2012 of 29 June 2012 supplementing Regulation (EU) No 236/2012 of the European Parliament and of the Council with regard to regulatory technical standards on notification and disclosure requirements with regard to net short positions, the details of the information to be provided to the European Securities and Markets Authority in relation to net short positions and the method for calculating turnover to determine exempted shares, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>SSR Delegated Regulation 2</i>	the <i>UK</i> version of Commission Delegated Regulation (EU) No 918/2012 of 5 July 2012 supplementing Regulation (EU) No 236/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps with regard to definitions, the calculation of net short positions, covered sovereign credit default swaps, notification thresholds, liquidity thresholds for suspending restrictions, significant falls in the value of financial instruments and adverse events, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>SSR Implementing Regulation</i>	the <i>UK</i> version of Commission Implementing Regulation (EU) No 827/2012 of 29 June 2012 laying down implementing technical standards with regard to the means for public disclosure of net position in shares, the format of the information to be provided to the European Securities and Markets Authority in relation to net short positions, the types of agreements, arrangements and measures to adequately ensure that shares or sovereign debt instruments are available for settlement and the dates and period for the determination of the principal venue for a share according to Regulation (EU) No 236/2012 of the European

Parliament and of the Council on short selling and certain aspects of credit default swaps, which is part of *UK* law by virtue of the *EUWA*.

<i>supervised run-off firm</i>	(in accordance with the <i>EU Exit Passport Regulations</i> and the <i>E-money and Payments Transitional Provisions Regulations</i>) a person who is: <ol style="list-style-type: none"> (1) treated as having Part 4A permission (or a variation to permission) under regulation 28 or 34 of the <i>EU Exit Passport Regulations</i>; or (2) treated as an <i>authorised electronic money institution</i> under paragraph 12B of Part 1A of Schedule 3 of the <i>E-money and Payments Transitional Provisions Regulations</i>; or (3) treated as an <i>authorised payment institution</i> under paragraph 26 of Part 3 of Schedule 3 of the <i>E-money and Payments Transitional Provisions Regulations</i>; or (4) treated as a <i>registered account information service provider</i> under paragraph 26 of Part 3 of Schedule 3 of the <i>E-money and Payments Transitional Provisions Regulations</i>.
<i>TA EMI firm</i>	a person who has <i>temporary EMI authorisation</i> .
<i>TA PI firm</i>	a person who has <i>temporary PI authorisation</i> .
<i>TA RAISP firm</i>	a person who has <i>temporary RAISP registration</i> .
<i>TD Major Holdings Regulation</i>	the <i>UK</i> version of Commission Delegated Regulation (EU) 2015/761 of 17 December 2014 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to certain regulatory technical standards on major holdings, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>temporary EMI authorisation</i>	(in accordance with paragraph 2 of Part 1 of Schedule 3 and paragraph 12B of Part 1A of Schedule 3 to the <i>E-money and Payments Transitional Provisions Regulations</i>), as the case may be, authorisation as an <i>authorised electronic money institution</i> under the <i>Electronic Money Regulations 2011</i> , that a person is to be taken as having under paragraph 2 of Part 1 of Schedule 3 to the <i>E-money and Payments Transitional Provisions Regulations</i> or under paragraph 12B of Part 1A of Schedule 3 to those Regulations.
<i>temporary permission</i>	(in accordance with regulation 8, 11, 28 or 34 of the <i>EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018</i>), as the case may be, <i>Part 4A permission</i> (or variation to that <i>permission</i>) that a person is treated as having under regulation 8, 11, 28 or 34 of those Regulations.
<i>temporary PI authorisation</i>	(in accordance with paragraph 14(2)(a)(i) of Part 2 of Schedule 3 or paragraph 26(4)(a)(i) of Part 3 of Schedule 3 to the <i>E-money and Payments Transitional Provisions Regulations</i>), as the case may be,

	authorisation as an <i>authorised payment institution</i> under the <i>Payment Services Regulations 2017</i> , that a <i>person</i> is taken as having under paragraph 14(2)(a)(i) of Part 2 of Schedule 3 to the <i>E-money and Payments Transitional Provisions Regulations</i> , or under paragraph 26(4)(a)(i) of Part 3 of Schedule 3 to those Regulations.
<i>temporary RAISP registration</i>	(in accordance with paragraph 14(2)(a)(ii) of Part 2 of Schedule 3 and paragraph 26(4)(a)(ii) of Part 3 of Schedule 3 to the <i>E-money and Payments Transitional Provisions Regulations</i>), as the case may be, registration as a <i>registered account information service provider</i> under the <i>Payment Services Regulations 2017</i> , that a <i>person</i> is taken as having under paragraph 14(2)(a)(ii) of Part 2 of Schedule 3 to the <i>E-money and Payments Transitional Provisions Regulations</i> , or under paragraph 26(4)(a)(ii) of Part 3 of Schedule 3 to those Regulations.
<i>TPCAR</i>	a Temporary Permissions Client Assets Return, containing the information specified in <i>CASS 14 Annex 1</i> .
<i>TP AIFM qualifier</i>	an <i>EEA AIFM</i> which is <i>marketing</i> , or has <i>marketed</i> , an <i>AIF</i> in the <i>UK</i> by: <ul style="list-style-type: none"> (a) exercising its right to <i>market</i> in relation to funds referred to in paragraph (2) of regulation 78A of the <i>AIFMD UK regulation</i>; and (b) is not exercising a right to manage a <i>UK AIF</i> under <i>temporary permission</i>.
<i>TP firm</i>	(in accordance with regulation 8, 11, 28 or 34 of the <i>EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018</i>), as the case may be, a <i>person</i> who has <i>temporary permission</i> under regulation 8, 11, 28 or 34 of those Regulations.
<i>TP person</i>	(in <i>FEES</i>) any of the following: <ul style="list-style-type: none"> (1) a <i>TP firm</i>; (2) a <i>TA EMI firm</i>; (3) a <i>TA PI firm</i>; (4) a <i>TA RAISP firm</i>; and (5) a <i>TPR fund</i>.
<i>TP UCITS qualifier</i>	a <i>firm</i> (other than a <i>firm</i> which manages a <i>scheme</i> under a <i>temporary permission</i>) which: <ul style="list-style-type: none"> (a) for the time being is an <i>operator</i>, <i>trustee</i> or <i>depository</i> of a <i>scheme</i> or <i>sub-fund</i> which is temporarily recognised under Part

6 of the Collective Investment Schemes (Amendment) (EU Exit) Regulations 2018; and

- (b) is an *authorised person* as a result of Part 7 of those Regulations;

a reference to a *firm* as a “*TP UCITS qualifier*” applies in relation to the carrying on by the *firm* of activities for which it has *permission* in that capacity.

<i>TPR DA levy</i>	the levy payable to the <i>FCA</i> in respect of the provision of debt advice by the <i>Devolved Authorities</i> under <i>FEES 7D</i> .
<i>TPR fund</i>	(in <i>FEES</i>) any of the following: <ol style="list-style-type: none"> (1) an <i>EEA UCITS scheme</i> recognised under Part 6 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018; or (2) an <i>EEA AIF</i>, <i>EuVECA</i>, <i>EuSEF</i>, or <i>EEA ELTIF</i> which may be marketed in the <i>UK</i> under Part 9A of The Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018.
<i>TPR IML levy</i>	the levy payable to the <i>FCA</i> under <i>FEES 13A</i> .
<i>TPR SFGB debt advice levy</i>	the amount payable to the <i>FCA</i> by a <i>firm</i> to which <i>FEES 7B.3</i> (The <i>TPR SFGB</i> money advice levy and debt advice levy) and <i>FEES 7B Annex 2R</i> apply.
<i>TPR SFGB levy</i>	the levy payable to the <i>FCA</i> under <i>FEES 7B</i> .
<i>TPR SFGB money advice levy</i>	the amount payable to the <i>FCA</i> by a <i>firm</i> to which <i>FEES 7B.3</i> (The <i>TPR SFGB</i> money advice levy and debt advice levy) and <i>FEES 7B Annex 1R</i> apply.
<i>TPR SFGB pensions guidance levy</i>	the amount payable to the <i>FCA</i> by a <i>firm</i> to which <i>FEES 7B.4</i> (The <i>TPR SFGB</i> pensions guidance levy) applies.
<i>Trade Repositories (EU Exit) Regulations</i>	the Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendments etc. and Transitional Provision) (EU Exit) Regulations 2018 (SI 2018/335).
<i>trade repository</i>	a legal person that centrally collects and maintains the records of derivatives.
<i>UK Account</i>	has the same meaning as in article 2(3) of the Financial Services and Markets Act 2000 (Ring-fenced Bodies and Core Activities) Order 2014 (2014 No. 1960).

<i>UK-adopted international accounting standards</i>	(in accordance with section 474(1) of the Companies Act 2006) international accounting standards which are adopted for use within the <i>United Kingdom</i> by virtue of Chapter 2 or 3 of Part 2 of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.
<i>UK-adopted IFRS</i>	<i>UK-adopted international accounting standards.</i>
<i>UK AIFM regime</i>	<i>FUND</i> , other <i>rules</i> in the <i>FCA Handbook</i> which, when made, implemented <i>AIFMD</i> , the <i>AIFMD level 2 regulation</i> , and the <i>AIFMD UK regulation</i> .
<i>UK MTF</i>	<p>(as defined in article 2(1)(14A) of <i>MiFIR</i>) means a multilateral system, operated by a UK investment firm or market operator, which:</p> <ul style="list-style-type: none"> (a) brings together multiple third-party buying and selling interests in financial instruments (in the system and in accordance with non-discretionary rules) in a way which results in a contract; and (b) complies, as applicable, with: <ul style="list-style-type: none"> (i) paragraph 9A of the <i>Recognition Requirements Regulations</i>; (ii) the EU regulations specified in Schedule 2 of <i>MiFIR</i>; (iii) rules made by the competent authority governing the operating conditions of investment firms so far as they apply to MTFs, <p>and for the purposes of this definition, an investment firm or market operator is a UK investment firm or market operator if it has its registered office (or if it does not have a registered office, its head office) in the United Kingdom.</p>
<i>UK OTF</i>	<p>(as defined in article 2(1)(15A) of <i>MiFIR</i>) means a multilateral system:</p> <ul style="list-style-type: none"> (a) which is not a regulated market or an MTF; (b) in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract, and complies, as applicable, with: <ul style="list-style-type: none"> (i) paragraph 9A of the <i>Recognition Requirements Regulations</i>; (ii) the EU regulations specified in Schedule 2 of <i>MiFIR</i>;

- (iii) rules made by the competent authority governing the operating conditions of investment firms so far as they apply to OTFs.
- UK parent financial holding company* has the meaning in article 4(1)(30) of the *UK CRR*.
- UK parent institution* has the meaning in article 4(1)(28) of the *UK CRR*.
- UK parent mixed financial holding company* has the meaning in article 4(1)(32) of the *UK CRR*.
- UK parent undertaking*
- (a) a *UK parent institution*;
 - (b) a *UK parent financial holding company*; or
 - (c) a *UK parent mixed financial holding company*.
- UK prudential sectoral legislation* (in relation to a *financial sector*) requirements applicable to *persons* in that *financial sector* in accordance with *UK* legislation and *rules* about prudential supervision of *regulated entities* in that *financial sector* and so that:
- (a) (in relation to the *banking sector* and the *investment services sector*) in particular this includes the requirements laid down in the *UK CRR* (in relation to a *CAD investment firm*), *GENPRU* and *BIPRU*; and
 - (b) (in relation to the *insurance sector*) in particular this includes requirements laid down in the *UK* provisions which implemented the *Solvency II Directive* and *Solvency II Regulations*.
- UK regulated entity* a *regulated entity* that is a *UK* firm.
- UK UCITS* means (in accordance with sections 236A and 237 of the *Act*) subject to (4) below, an undertaking which may consist of several *sub-funds* and:
- (1) is an *AUT*, an *ACS* or an *ICVC*:
 - (a) with the sole object of collective investment of capital raised from the public in *transferable securities* or other liquid financial assets specified in paragraph (2), and operating on the principle of risk-spreading;
 - (b) with *units* which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (see also paragraph (3)); and

- (c) which (in accordance with the *rules* in *COLL 4.2*) has identified itself as a *UCITS* in its *prospectus* and has been authorised accordingly by the *FCA*.
- (2) The *transferable securities* or other liquid financial assets specified for the purposes of paragraph (1)(a) are those which are permitted by *COLL 5.2*.
- (3) For the purposes of paragraph (1)(b), action taken by the undertaking to ensure that the price of its *units* on an investment exchange do not significantly vary from their net asset value is to be regarded as equivalent to such repurchase or redemption.
- (4) The following undertakings are not a *UK UCITS*:
 - (a) a collective investment undertaking of the closed-ended type;
 - (b) a collective investment undertaking which raises capital without promoting the sale of its *units* to the public in the *UK*;
 - (c) an open-ended investment company, or other collective investment undertaking, the *units* of which, under the fund rules or the instruments of incorporation of the investment company, may be sold only to the public in countries or territories outside the *UK*.

Amend the following definitions as shown. Underlining indicates new text and striking through indicates deleted text.

<i>above-threshold non-EEA <u>UK</u> AIFM</i>	a non- EEA <u>UK</u> AIFM that is not a <i>small AIFM</i> .
<i>acting as trustee or depositary of a <u>UK UCITS</u></i>	the <i>regulated activity</i> , specified in article 51ZB of the <i>Regulated Activities Order</i> which is, in summary, acting as: <ul style="list-style-type: none"> (a) a trustee of an <i>authorised unit trust scheme</i>; or (b) a depositary of an <i>open-ended investment company</i>; or (c) a depositary of an <i>authorised contractual scheme</i>; where that company or <i>scheme</i> is a <u>UK UCITS</u> .
<i>additional tier 1 capital</i>	as defined in article 61 of the EU-CRR <u>UK CRR</u> .
<i>additional tier 1 instrument</i>	a capital instrument that qualifies as an additional tier 1 capital instrument under article 52 of the EU-CRR <u>UK CRR</u> .
<i>ADR entity</i>	any <u>alternative dispute resolution</u> entity, however named or referred to, which is listed in accordance with article 20(2) of the ADR Directive as defined in regulation 4 of the <u>ADR Regulations</u> . [Note: article 4(1) of the <i>ADR Directive</i>]
<i>agreeing to carry on a regulated activity</i>	the <i>regulated activity</i> specified in article 64 of the <i>Regulated Activities Order</i> (Agreeing to carry on specified kinds of activity), of agreeing to carry on an activity specified in Part II or Part 3A of that Order other than: <ul style="list-style-type: none"> ... (ca) <i>managing a <u>UK UCITS</u></i>; (cb) <i>acting as trustee or depositary of a <u>UK UCITS</u></i>; ...
<i>AIFM investment firm</i>	a <i>firm</i> which: <ul style="list-style-type: none"> (a) is: <ul style="list-style-type: none"> (i) a <i>full-scope UK AIFM</i>; or and (ii) an incoming EEA AIFM branch; and <u>[deleted]</u>

- (b) has a *Part 4A permission* ~~(or an equivalent permission from its *Home State* regulator)~~ for *managing investments* where:
- (i) the *investments* managed include one or more *financial instruments*; and
 - (ii) the *permission* is limited to the activities ~~permitted by article 6(4) of *AIFMD*~~ referred to in *FUND 1.4.3R(3)* to (6).

AIFM investment management functions investment management functions of an *AIFM* ~~as set out in 1(a) (being portfolio management) or (b) (risk management) of Annex I to *AIFMD*~~.

AIFM management functions the management functions of an *AIFM* listed in ~~Annex I to *AIFMD*~~ *FUND 1.4.7G*.

AIFMD level 2 regulation the *UK* version of Commission delegated regulation (EU) No 231/2013 supplementing Directive 2011/16/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013R0231>), which is part of *UK* law by virtue of the *EUWA*.

- alternative debenture* (1) the *investment* specified in article 77A of the *Regulated Activities Order* (Alternative finance investment bonds);
- (2) (in *COLL*) in addition and to the extent it does not fall within (1), an *investment* which would have been within the definition of “alternative debenture” in the *FCA Handbook* immediately before *exit day*.

alternative investment fund ~~(in accordance with article 4(1)(a) of *AIFMD*)~~ a collective investment undertaking, including investment compartments thereof, which:

- (a) raises capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and
- (b) ~~does not require authorisation pursuant to article 5 of the *UCITS Directive*~~ is not a *UK UCITS*.

[Note: article 4(1)(a) of *AIFMD*]

- alternative investment fund manager* (1) ~~(in *GENPRU 3.1*) a manager of alternative investment funds within the meaning of Article 4(1)(b), (1) and (ab) of Directive 2011/61/EU or an *undertaking* which is outside the *EEA* and which would require authorisation in accordance with Directive 2011/61/EU if it had its registered office within the *EEA*~~.

- (2) ~~(except in GENPRU 3.1 and in accordance with article 4(1)(b) of AIFMD)~~ a legal person whose regular business is performing *AIFM investment management functions* for one or more *AIF*.

[Note: article 4(1)(b) of AIFMD]

ancillary service

- (1) (except in *CONC*) any of the services listed in ~~Section B of Annex I to MiFID~~ Part 3A of Schedule 2 to the *Regulated Activities Order*, that is:

...

- (g) *investment services and activities included in Part 3 of Schedule 2 to the *Regulated Activities Order**, as well as ancillary services ~~within (a) to (f), above, of the type included in Part 3A,~~ related to the underlying of the *derivatives* included ~~under Section C 5, 6, 7 and 10, that is (in accordance with that Annex and Recital 21 to, and Article 39 of, the *MiFID Regulation*)~~ in paragraphs 5, 6, 7 or 10 of Part 1 of Schedule 2 to the *Regulated Activities Order* where these are connected to the provision of investment or ancillary services. †

- (i) ~~commodities;~~
- (ii) ~~climatic variables;~~
- (iii) ~~freight rates;~~
- (iv) ~~emission allowances;~~
- (v) ~~inflation rates or other official economic statistics;~~
- (vi) ~~telecommunications bandwidth;~~
- (vii) ~~commodity storage capacity;~~
- (viii) ~~transmission or transportation capacity relating to commodities, where cable, pipeline or other means;~~
- (ix) ~~an allowance, credit, permit, right or similar asset which is directly linked to the supply, distribution or consumption of energy derived from renewable resources;~~
- (x) ~~a geological, environmental or other physical variable;~~

- (xi) ~~any other asset or right of a fungible nature, other than a right to receive a service, that is capable of being transferred;~~
- (xii) ~~an index or measure related to the price or value of, or volume of transactions in any asset, right, service or obligation;~~

~~where these are connected to the provision of investment services or ancillary services.~~

[Note: article 4(1)(3) 2(3) of ~~MiFID~~ MiFIR]

- (2) ...
- (1) ~~(in accordance with Article 4(21) of the *Banking Consolidation Directive (Definitions)* for the purpose of *GENPRU* (except in *GENPRU* 3) and *BIPRU* (except in *BIPRU* 12) and subject to (2)) and in relation to an undertaking in a consolidation group, sub-group or another group of persons) an undertaking complying with the following conditions:~~
- (a) its principal activity consists of:
 - (i) owning or managing property; or
 - (ii) managing data-processing services; or
 - (iii) any other similar activity;
 - (b) the activity in (a) is ancillary to the principal activity of one or more *credit institutions* or *investment firms*; and
 - (c) those *credit institutions* or *investment firms* are also members of that *consolidation group, sub-group or group*.

ancillary services undertaking

[Note: article 4(21) of the *Banking Consolidation Directive (Definitions)*]

- (2) ...
- (3) (except in (1)) has the meaning in article 4(1)(18) of the *EU CRR* *UK CRR*.
- (1) ~~in relation to an *EEA firm* (in accordance with Schedule 3 paragraph 13(4) and 14(4) to the Act), whichever of the *FCA* or *PRA* is the competent authority for the purposes of the relevant *Single Market Directive*; [deleted]~~

appropriate UK regulator

- (2) in relation to a *UK firm* (~~in accordance with Schedule 3 paragraph 18A to the Act~~),
- (a) the *PRA*, where the *firm* is a *PRA-authorized person*; and
 - (b) in any other case, the *FCA*.
- (3) ~~in relation to a *Treaty firm* (in accordance with section 35(2A) of the Act); [deleted]~~
- ~~(a) in the case of a *PRA-authorized person*, the *PRA*; and~~
 - ~~(b) in any other case, the *FCA*~~

approved bank

(except in *COLL*) (in relation to a *bank* account opened by a firm):

- (a) if the account is opened at a branch in the *United Kingdom*:
 - (i) the Bank of England; or
 - (ii) the central bank of a member state of the *OECD*; or
 - (iii) a *bank*; or
 - (iv) a *building society*; or
 - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the *OECD*; or
- (b) if the account is opened elsewhere:
 - (i) a bank in (a); or
 - (ii) ~~a *credit institution* established in an *EEA State* other than the *United Kingdom* and duly authorised by the relevant *Home State regulator*; or [deleted]~~
 - (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or
- (c) a bank supervised by the South African Reserve Bank; or
- (d) any other bank that:
 - (i) is subject to regulation by a national banking regulator;
 - (ii) is required to provide audited accounts;

- (iii) has minimum net assets of £5 million (or its equivalent in any other currency at the relevant time) and has a surplus revenue over expenditure for the last two financial years; and
- (iv) has an annual audit report which is not materially qualified.

(in *COLL*) any person falling within (a-c) and a credit institution established in an EEA State and duly authorised by the relevant Home State regulator.

approved credit institution a *credit institution* recognised or permitted under the law of an *EEA State* or the United Kingdom to carry on any of the activities set out in Annex 1 to the *CRD*.

approved financial institution any of the following:

- (a) the European Central Bank;
- (b) the central bank of an *EEA State* or the United Kingdom;

...

approved security (1) (in *COLL*) a *transferable security* that is admitted to *official listing* in the UK or an *EEA State* or is traded on or under the rules of an *eligible securities* market (otherwise than by the specific permission of the market authority).

...

article 3(1)(b) credit agreement a *credit agreement*:

- (a) under which the person to whom the credit is provided is a *consumer*,
- (b) the purpose of which is to acquire or retain property rights in land or in an existing or projected building; and
- (c) which is not an *MCD regulated mortgage contract*;

where the reference in (b) to land or a building is a reference:

- (d) in relation to a contract entered into before *exit day*:
 - (i) to land or a building in the *United Kingdom*; or
 - (ii) if the contract was entered into on or after 21 March 2016, to land or a building in the *United Kingdom* or

within the territory of a State that was an EEA State at the time the contract was entered into; and

- (e) in relation to a contract entered into on or after *exit day*, to land in the *United Kingdom*.

article 18(5) relationship

the relationship where there are participations or capital ties other than those referred to in article 18(1) and (4) of the ~~EU CRR~~ UK CRR (Methods for prudential consolidation).

article 18(6) relationship

(in accordance with article 18 of the ~~EU CRR~~ UK CRR (Methods for prudential consolidation)) a relationship of one of the following kinds:

- (a) where an *institution* exercises a significant influence over one or more *institutions* or *financial institutions*, but without holding a *participation* or other capital ties in these *institutions*; or
- (b) where two or more *institutions* or *financial institutions* are placed under single management other than under a contract or clauses of their memoranda or articles of association.

asset backed commercial paper programme

for the purposes of *BIPRU 9* (Securitisation) ~~and in accordance with Part 1 of Annex IX of the *Banking Consolidation Directive* (Securitisation definitions)~~ a programme of *securitisations* (within the meaning of paragraph (2) of the definition of securitisation) the securities issued by which predominantly take the form of commercial paper with an original maturity of one year or less.

[Note: Part 1 of Annex IX of the *Banking Consolidation Directive* (Securitisation definitions)]

asset management company

a *management company* ~~management company within the meaning of Article 2(1)(b) of the *UCITS Directive*, as well as or an *undertaking*~~ the registered office of which is outside the ~~EEA~~ UK and which would require ~~authorisation in accordance with Article 6(1) of the *UCITS Directive*~~ *Part 4A permission* under Article 51ZA of the *Regulated Activities Order* (Managing a UK UCITS) if it had its registered office within the ~~EEA~~ UK.

Audit Regulation

the UK version of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC), which is part of UK law by virtue of the *EUWA*, except that any reference to Article 16 of that Regulation, shall, where and to the extent that the effect of that Article has been reproduced in any of the following enactments in relation to a category of *issuer*, be a reference to that enactment in relation to that category of *issuer*:

- (1) for private companies, sections 485A to 485C and 494ZA of the Companies Act 2006;
- (2) for public companies, sections 489A to 489C and 494ZA of the Companies Act 2006;
- (3) for *building societies*, paragraphs 3B to 3E of Schedule 11 to the Building Societies Act 1986;
- (4) for *friendly societies*, paragraphs 2 to 5 of Schedule 14A to the Friendly Societies Act 1992;
- (5) for limited liability partnerships, sections 485A to 485C and 494ZA of the Companies Act 2006 as applied by regulations 36 and 38A of the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008;
- (6) for insurance undertakings within the meaning given by regulation 2 of The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008, sections 485A to 485C and 494ZA of the Companies Act 2006 as applied by regulation 6(1A) of those Regulations.

authorised contractual scheme manager a firm, including, if relevant, an *EEA UCITS management company* or ~~*incoming EEA AIFM*~~, which is the *authorised fund manager* of the ACS in accordance with the *contractual scheme deed*.

authorised corporate director the director of an ICVC who is the *authorised corporate director* of the ICVC in accordance with COLL 6.5.3R (Appointment of an ACD) including, if relevant, an *EEA UCITS management company* or ~~*incoming EEA AIFM*~~.

authorised person (in accordance with section 31 of the Act (Authorised persons)) one of the following:

- (a) a *person* who has a *Part 4A permission* to carry on one or more *regulated activities*;
- (b) ~~an *incoming EEA firm*; [deleted]~~
- (c) ~~an *incoming Treaty firm*; [deleted]~~
- (d) ~~a *UCITS qualifier*; [deleted]~~
- (e) an ICVC;
- (f) the *Society of Lloyd's*.

(see also GEN 2.2.18R for the position of an *authorised partnership* or unincorporated association which is dissolved.)

- bank*
- (a) a *firm* with a *Part 4A permission* which includes *accepting deposits*, and:
- (i) which is a *credit institution*; ~~or~~
- (ii) ~~whose *Part 4A permission* includes a *requirement* that it comply with the rules in *GENPRU* and *BIPRU* relating to *banks*; [deleted]~~
- but which is not a *building society*, a *friendly society* or a *credit union*;
- (b) ~~an *EEA bank* which is a *full credit institution*. [deleted]~~
- banking and investment group*
- a group of *persons* (at least one of which is an ~~*EEA regulated entity*~~ a *UK regulated entity* that is a *credit institution* or an *investment firm*) who:
- (a) form a group in respect of which the consolidated capital adequacy requirements for the *banking sector* or the *investment services sector* under:
- (i) the *appropriate regulator's sectoral rules*;
- (ii) ~~the *sectoral rules* of another competent authority apply; or [deleted]~~
- (b) would form such a group if the scope of those *sectoral rules* were amended as described in paragraph 3.1 of *GENPRU 3 Annex 2* (removing restrictions relating to place of incorporation or head office of members of those *financial sectors*).
- benchmarks regulation*
- the *UK version of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, which is part of UK law by virtue of the EUWA.*
- [Note: see <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016R1011>
- BIPRU firm*
- a *firm*, as defined in article 4(1)(2)(c) of the ~~*EU-CRR*~~ *UK CRR* that satisfies the following conditions:
- (a) ...
- BMR benchmark administrator*
- a *person* who:
- (1) is an administrator as defined in article 3.1(6) of the *benchmarks regulation* (which in summary is

a *person* who has control over the provision of a *benchmark*);
and

- (2) has been authorised or registered (~~whether in the UK or elsewhere~~) in accordance with article 34 of the *benchmarks regulation*.

branch

- (a) (in relation to a *credit institution*):
- (i) a place of business which forms a legally dependent part of a *credit institution* and which carries out directly all or some of the transactions inherent in the business of *credit institutions*;
 - (ii) ~~for the purposes of the CRD and in accordance with article 38 of the CRD, any number of places of business set up in the same EEA State by a credit institution with headquarters in another EEA State are to be regarded as a single branch; [deleted]~~
- (b) (in relation to an *investment firm*):
- (i) a place of business other than the head office which is a part of an *investment firm*, which has no legal personality and which provides *investment services and/or activities* and which may also perform *ancillary services* for which the *firm* has been authorised;
 - (ii) ~~all the places of business set up in the same EEA State by an investment firm with headquarters in another EEA State are regarded as a single branch; [deleted]~~

[Note: article 4(1)(30) of *MiFID*]

- (c) (in relation to an *insurance undertaking*) any permanent presence of the *insurance undertaking* ~~in an EEA State~~ other than ~~that~~ in the country in which it has its head office is to be regarded as a single *branch*, whether that presence consists of a single office which, or two or more offices each of which:
- (i) is managed by the *insurance undertaking's* own staff;
or
 - (ii) is an agency of the *insurance undertaking*; or
 - (iii) is managed by a *person* who is independent of the *insurance undertaking*, but has permanent authority to act for the *insurance undertaking* as an agency would.

- (d) (in relation to an *IDD insurance intermediary*):
- (i) a place of business which is a part of an *IDD insurance intermediary*, not being the principal place of business, which has no separate legal personality and which provides *insurance distribution* for which the *IDD insurance intermediary* has been registered;
 - (ii) ~~for the purposes of the *IDD*, all the places of business set up in the same *EEA State* by an *IDD insurance intermediary* with headquarters in another *EEA State* are to be regarded as a single *branch* [deleted];~~
 - (iii) ~~an agency or permanent presence of an *IDD insurance intermediary* in a *Host State* that is equivalent to a *branch* is to be regarded as a *branch*, unless the intermediary lawfully sets up such permanent presence in another legal form [deleted].~~

[Note: articles 2(1)(12) and 6(1) of the *IDD*]

- (e) (in relation to an *IDD reinsurance intermediary*):
- (i) a place of business which is a part of an *IDD reinsurance intermediary*, not being the principal place of business, which has no separate legal personality and which provides *reinsurance distribution* for which the *IDD reinsurance intermediary* has been registered;
 - (ii) ~~for the purposes of the *IDD*, all the places of business set up in the same *EEA State* by an *IDD reinsurance intermediary* with headquarters in another *EEA State* are to be regarded as a single *branch* [deleted];~~
 - (iii) ~~an agency or any permanent presence of an *IDD reinsurance intermediary* in the territory of a *Host State* that is equivalent to a *branch* is to be regarded as a *branch*, unless the intermediary lawfully sets up such permanent presence in another legal form [deleted].~~

[Note: articles 2(1)(12) and 6(1) of the *IDD*]

- (f) (in relation to an *EEA UCITS management company*):
[deleted]
- (i) ~~a place of business which is a part of an *EEA UCITS management company*, which has no separate legal personality and which provides the services for which~~

~~the EEA UCITS management company has been authorised;~~

- (ii) ~~for the purposes of the UCITS Directive, all the places of business set up in the same EEA State by an EEA UCITS management company with headquarters in another EEA State are to be regarded as a single branch.~~
- (g) (in accordance with regulation 2(1) of the *Payment Services Regulations*) (in relation to a *payment institution*; or a registered account information service provider ~~or an EEA registered account information service provider~~) a place of business of such a *payment service provider*, other than its head office, which forms a legally dependent part of such a provider and which carries out directly all or some of the services inherent in its business. ~~For the purposes of the Payment Services Regulations, all places of business set up in the same EEA State other than the United Kingdom by such a payment service provider are to be regarded as a single branch.~~

[Note: article 4 (39) of the *Payment Services Directive*]

- (h) ~~(in relation to a person carrying on auction regulation bidding) a branch. [deleted]~~
- (i) (in relation to an *AIFM*)
- (i) a place of business which is a part of an *AIFM* that has no legal personality and provides the services for which the *AIFM* has been authorised;
- (ii) for the purpose of (i), all places of business established in the same ~~EEA State~~ country by an *AIFM* with its registered office in another ~~EEA State~~ country shall be regarded as a single *branch*.

[Note: article 4(1)(c) of *AIFMD*]

*Buy-back and
Stabilisation
Regulation*

the UK version of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, which is part of UK law by virtue of the EUWA. See: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016R1052>

*buy-to-let credit
agreement*

a contract that:

- (a) at the time it is entered into:
 - (i) is one under which a lender provides credit to an individual or to trustees (the ‘borrower’);
 - (ii) provides for the obligation of the borrower to repay to be secured by a mortgage on land in ~~the EEA~~ the UK;

...

...

where “land” for these purposes means:

- (c) in relation to a contract entered into before *exit day*:
 - (i) land in the *United Kingdom*; or
 - (ii) if the contract was entered into on or after 21 March 2016, land in the *United Kingdom* or within the territory of a State that was an *EEA State* at the time the contract was entered into; and
- (d) in relation to a contract entered into on or after *exit day*, land in the *United Kingdom*.

...

...

CAD article 22 group

UK consolidation group or ~~non-EEA sub-group~~ non-UK sub-group that meets the conditions in BIPRU 8.4.9R (Definition of a CAD Article 22 group).

CAD investment firm

*a firm that is subject to the requirements imposed by the UK implementation of MiFID (or a firm which would be subject to ~~that Directive~~ those requirements if its head office were in ~~an EEA State~~ the UK) but excluding a *bank*, a *building society*, a *credit institution*, a *local* and an *exempt CAD firm* that meets the following conditions:*

- (a) it is a *firm* as defined in article 4(1)(2)(c) of the ~~EU-CRR~~ UK CRR;

...

capital conservation buffer

*(in accordance with ~~article 128(1) of CRD (Definitions)~~ regulation 2(1) (Interpretation) of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014) the amount of *common equity tier 1 capital* a firm must calculate in line with in *IFPRU 10.2*.*

- capital resources*
- (1) in relation to a *BIPRU firm*, the *firm's* capital resources as calculated in accordance with the *capital resources table*; or
 - (2) ~~(in relation to a *CAD investment firm* that is an *EEA firm* and not a *BIPRU firm* and which is required to meet the capital resources requirements of the *CRD implementation measures* for its *EEA State* on an individual basis) capital resources calculated under those *CRD implementation measures*; or [deleted]~~
 - (3) (for the purposes of *GENPRU* and *BIPRU* (except in *BIPRU* 12), in relation to an undertaking not falling within (1) ~~or (2)~~ and subject to (4)), capital resources calculated in accordance with (1) on the assumption that:
 - (a) it is a *BIPRU firm* with a *Part 4A permission*; and
 - (b) it carries on all its business in the *United Kingdom* and has obtained whatever *permissions* for doing so are required under the *Act*; or
 - (4) (for the purposes of *GENPRU* and *BIPRU* (except in *BIPRU* 12) and in relation to any *undertaking* not falling ~~within~~ in (1) ~~or (2)~~ for which the methodology in (3) does not give an answer whose *capital resources* a *BIPRU firm* (the “relevant firm”) is required to calculate under a *Handbook rule*) capital resources calculated under (1) on the assumption that it is a *BIPRU firm* of the same category as the relevant firm; or
 - (5) (for a *firm* carrying on any *home financing* connected to *regulated mortgage contracts* or *home financing* and *home financing administration* connected to *regulated mortgage contracts*) *capital resources* calculated under *MIPRU* 4.2.23R.

cash assimilated instrument ~~in accordance with Article 4(35) of the *Banking Consolidation Directive* (Definitions))~~ a certificate of deposit or other similar instrument issued by a *lending firm*.

[Note: article 4(35) of the *Banking Consolidation Directive* (Definitions)]

CASS 7 asset management firm a *firm* subject to the *client money rules* and which falls within either (a) or (b), or both, but not (c):

- ...
- (b) ...
- ...

(viii) acting as trustee or depositary of a UK UCITS;

...

<i>CESR's UCITS eligible assets guidelines</i>	the Committee of European Securities Regulators' guidelines concerning eligible assets for investment by undertakings for collective investment in transferable securities (CESR/07-044). These are available at https://www.esma.europa.eu/sites/default/files/library/2015/11/07_044.pdf
<i>CCR internal model method permission</i>	an Article 129 implementing measure, Article 129 permission, a requirement or a waiver that requires a <i>BIPRU</i> firm or a <i>CAD</i> investment firm to use the <i>CCR internal model method</i>
<i>central bank</i>	(1) (in accordance with Article 4(23) of the <i>Banking Consolidation Directive</i> (Definitions) and for the purposes of <i>GENPRU</i> (except <i>GENPRU</i> 3) and <i>BIPRU</i> (except <i>BIPRU</i> 12)) includes the European Central Bank unless otherwise indicated, <u>the Bank of England and the central banks of other countries.</u> <u>[Note: article 4(23) of the <i>Banking Consolidation Directive</i> (Definitions)]</u> (2) (except in (1)) has the meaning in article 4(1)(46) of the <i>EU CRR</i> <u><i>UK CRR</i></u> .
<i>central counterparty</i>	(in accordance with Part 1 of Annex III of the <i>Banking Consolidation Directive</i> (Definitions) and for the purpose of <i>BIPRU</i> 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) an entity that legally interposes itself between counterparties to contracts traded within one or more financial markets, becoming the buyer to every seller and the seller to every buyer. <u>[Note: Part 1 of Annex III of the <i>Banking Consolidation Directive</i> (Definitions)]</u>
<i>CIU</i>	(1) (except in <i>IFPRU</i>) collective investment undertaking. (2) (in <i>IFPRU</i>) has the meaning in article 4(1)(7) of the <i>EU CRR</i> <u><i>UK CRR</i></u> .
<i>class</i>	(1) ... (2) (in <i>COLL</i>): (a) a particular class of <i>units</i> of an <i>authorised fund</i> ; or

- (b) all of the *units* relating to a single *sub-fund*; or
- (c) a particular class of *units* relating to a single *sub-fund*; ~~or~~
- (d) ~~in relation to an EEA UCITS scheme, any arrangement equivalent to (a), (b) or (c).~~ [deleted]

...

clean-up call option (1) (for the purposes of BIPRU 9 (Securitisation), in relation to a securitisation (within the meaning of paragraph (2) of the definition of securitisation) ~~and in accordance with Part 1 of Annex IX of the Banking Consolidation Directive (Securitisation definitions)~~) a contractual option for the *originator* to repurchase or extinguish the *securitisation positions* before all of the underlying *exposures* have been repaid, when the amount of outstanding *exposures* falls below a specified level.

[Note: Part 1 of Annex IX of the Banking Consolidation Directive (Securitisation definitions)]

...

collective portfolio management in relation to a *management company*, the activity of management of *UCITS schemes*, *EEA UCITS schemes* or other collective investment undertakings not covered by the *UCITS Directive* that the ~~firm~~ *management company* is permitted to carry on in accordance with COLL 6.9.9R or article 6(2) of the *UCITS Directive* as applicable. This includes the functions mentioned in Annex II to that directive.

collective portfolio management firm a *firm* which:

- (a) ...
- (b) is a *UCITS firm* that has a *Part 4A permission* for managing a UK UCITS.

combined buffer ~~the sum of:~~
~~(1) the capital conservation buffer; and~~
~~(2) the countercyclical capital buffer.~~
has the meaning in regulation 2(1) (Interpretation) of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014).

commodity (1) (except for (2)) a physical asset (other than a financial instrument or cash) which is capable of delivery.

- (2) (for the purpose of calculating *position risk requirements*) any of the following (but excluding gold):
- (a) a commodity within the meaning of paragraph (1); and
 - (b) any:
 - (i) physical or energy product; or
 - (ii) of the items referred to in ~~paragraph 10 of Section C of Annex I of MiFID~~ paragraph 10 of Part 1 of Schedule 2 to the Regulated Activities Order as an underlying with respect to the *derivatives* mentioned in that paragraph;

which is, or can be, traded on a secondary market.
- (3) (in relation to the UK provisions which implemented MiFID or MiFIR) any goods of a fungible nature that are capable of being delivered, including metals and their ores and alloys, agricultural products, and energy such as electricity.

commodity derivative

~~those financial instruments defined in:~~

- (a) ~~point (44)(c) of article 4(1) of MiFID which relate to a commodity; or an underlying referred to in Section C(10) of Annex I of MiFID; or~~
- (b) ~~in points (5), (6), (7) and (10) of Section C of Annex I to MiFID.~~

means financial instruments:

- (a) as defined in article 2(1)(24)(c) of MiFIR;
- (b) which relate to a commodity or an underlying referred to in paragraph 10 of Part 1 of Schedule 2 to the Regulated Activities Order; or
- (c) which are referred to in paragraphs 5, 6, 7 or 10 of Part 1 of Schedule 2 to the Regulated Activities Order.

[Note: article 2(1)(30) of MiFIR]

common equity tier 1 capital

as defined in article 50 of the ~~EU-CRR~~ UK CRR.

common equity tier 1 instrument

a capital instrument that qualifies as a common equity tier 1 instrument under article 26 of the ~~EU-CRR~~ UK CRR.

<i>common platform firm</i>	... (c) ...	a UK <i>MiFID investment firm</i> which falls within the definition of 'local firm' in article 4(1)(4) of the EU-CRR <u>UK CRR</u> ; or
<i>competent authority</i>	(1) (a) (b) (2) (3) (4) [Note: article 4(1)(26) 2(18) of MiFID <u>MiFIR</u>] (5) (6) (7) (8)	(in relation to the functions referred to in Part VI of the <i>Act</i>) the FCA , or the functions referred to in Part VI of the Act under the laws of an authority exercising functions corresponding to the functions referred to in Part VI of the Act under the laws of another EEA State. (in relation to the exercise of an EEA right and the exercise of the <i>overseas financial stability information power</i>) a competent authority for the purposes of the <u>UK provisions which implemented the</u> relevant <i>Single Market Directive</i> or the auction regulation. (in relation to a group, and for the purposes of <i>SYSC 12</i> (Group risk systems and controls requirement), <i>GENPRU</i> and <i>BIPRU</i> , any national authority of an EEA State <u>the UK</u> which is empowered by law or regulation to supervise <i>regulated entities</i> , whether on an individual or group-wide basis. the authority, designated by each EEA State in accordance with Article 67 of MiFID, unless otherwise specified in MiFID. <u>regulation 3 of the MiFI Regulations, or by regulation 17 of the DRS Regulations.</u> (in <i>REC</i>) in relation to an <i>investment firm</i> or <i>credit institution</i> , means the competent authority in relation to that firm or institution for the purposes of <u>the UK provisions which implemented MiFID.</u> [deleted] the authority designated by each EEA State in accordance with article 32 of the short selling regulation. [deleted] (for an <i>AIF</i>) the national authorities of an EEA State which are empowered by law or regulation to supervise <i>AIFs</i> . [deleted]

- (9) ~~(for an AIFM) a national authority in an EEA State which is empowered by law or regulation to supervise AIFMs. [deleted]~~
- (10) (for the purposes of IFPRU) has the meaning in article 4(1)(40) of the ~~EU~~ UK CRR.
- (11) in relation to an EU State the authority designated by each that EU (and where applicable, EEA) State in accordance with article 40 of the EU benchmarks regulation; and in relation to a third country which is not an EU State, the supervisory authority which exercises functions equivalent to those exercised by competent authorities in EU States under the EU benchmarks regulation.
- (12) (in COLL and DISP) an authority exercising functions corresponding to the functions referred to in Part VI of the Act under the laws of an EEA State.

complaints investigator

...

- (3) ~~in relation to an RAP) the independent person appointed under arrangements referred to in regulations 22 and 23 of the RAP regulations to investigate a complaint and to report on the result of his investigation to that RAP and to the complainant. [deleted]~~

conglomerate capital resources

in relation to a *financial conglomerate* with respect to which GENPRU 3.1.29R (Application of method 1 or 2 ~~from Annex I of the Financial Groups Directive~~) applies) capital resources as defined in whichever of paragraphs 1.1 or 2.1 of GENPRU 3 Annex 1 (Capital adequacy calculations for financial conglomerates) applies with respect to that *financial conglomerate*.

conglomerate capital resources requirement

(in relation to a *financial conglomerate* with respect to which GENPRU 3.1.29R (Application of method 1 or 2 ~~from Annex I of the Financial Groups Directive~~) applies) the capital resources requirement defined in whichever of paragraphs 1.3 or 2.4 of GENPRU 3 Annex 1 (Capital adequacy calculations for financial conglomerates) applies with respect to that *financial conglomerate*.

consolidated basis

has the meaning in article 4(1)(48) of the ~~EU CRR~~ UK CRR.

consolidated capital resources

(in relation to a *UK consolidation group* or a ~~non-EEA sub-group~~ non-UK sub-group and in GENPRU and BIPRU) that group's capital resources calculated in accordance with BIPRU 8.6 (Consolidated capital resources).

<i>consolidated capital resources requirement</i>	(in relation to a <i>UK consolidation group</i> or a <i>non-EEA sub-group non-UK sub-group</i> and in <i>GENPRU</i> and <i>BIPRU</i>) an amount of <i>consolidated capital resources</i> that that group must hold in accordance with <i>BIPRU</i> 8.7 (Consolidated capital resources requirement).
<i>consolidated indirectly issued capital</i>	has the meaning in <i>BIPRU</i> 8.6.12R (Indirectly issued capital and group capital resources), which is in summary any <i>capital instrument</i> issued by a member of a <i>UK consolidation group</i> or <i>non-EEA sub-group non-UK sub-group</i> where the conditions in <i>BIPRU</i> 8.6.12R are met.
<i>consolidated situation</i>	has the meaning in article 4(1)(47) of the <i>EU-CRR</i> <i>UK CRR</i> .
<i>consolidated tape provider</i>	a <i>person</i> permitted under regulation 5 of the <i>DRS Regulations</i> to provide the service of: <ul style="list-style-type: none"> (a) collecting trade reports for <i>financial instruments</i> made in accordance with articles 6, 7, 10, 12, 13, 20 and 21 of <i>MiFIR</i> from <i>regulated markets</i>, <i>UK MTFs</i>, <i>UK OTFs</i> and <i>APAs</i>; and (b) consolidating them into a continuous electronic live data stream providing price and volume data per <i>financial instrument</i>.
<i>consolidating supervisor</i>	has the meaning in article 4(1)(41) of the <i>EU-CRR</i> <i>UK CRR</i> .
<i>consolidation Article 12(1) relationship</i>	a relationship between one <i>undertaking</i> (the first undertaking) and one <i>an undertaking</i> (“U1”) and one or more other <i>undertakings</i> (“U2”) which satisfies <u>satisfying the following conditions set out in Article 12(1) of the <i>Seventh Company Law Directive</i>, which in summary are as follows:</u> <ul style="list-style-type: none"> (a) those <i>undertakings</i> U1 and U2 are not connected in the manner, as described in article 1(1) or (2) of that Directive section 1162; and (b) one of the following conditions is satisfied either: <ul style="list-style-type: none"> (i) they <u>U1 and U2 are managed on a unified basis pursuant to a contract with U1 concluded with the first undertaking, or provisions in the U2’s memorandum or articles of association of those <i>undertakings</i>; or</u> (ii) the administrative, management or supervisory bodies of those <i>undertakings</i> U2 consist, for the major part, of the same <i>persons</i> in office <u>as U1</u>

during the financial year ~~in respect of~~ U1 for which it is being decided whether such a relationship exists.

- consolidation group* (1) ...
- (2) (for the purposes of *SUP 16*) the *undertakings* included in the scope of prudential consolidation to the extent and in the manner prescribed in Part One, Title II, Chapter 2, Sections 2 and 3 of the ~~*EU CRR*~~ *UK CRR* and *IFPRU 8.1.3R* to *IFPRU 8.1.4R* (Prudential consolidation) for which the *FCA* is the *consolidating supervisor* under ~~article 111 of the *CRD*~~ article 4B of the *UK CRR*.

- consumer* ...
- (2A) (as further defined in section 425A of the *Act*) (in relation to the issue of statements or codes under section 64 of the *Act*); and general exemptions to consultation by the *FCA* (section 138L of the *Act*) in the publication of notices (section 391 of the *Act*) ~~and the exercise of *Treaty rights* (Schedule 4 to the *Act*)~~ a *person* who uses, has used, may have used, or has relevant rights or interests in relation to any services provided by:
- (a) *authorised persons* in carrying on regulated activities;
 - (b) *authorised persons* who are investment *firms*, or credit institutions, in providing relevant ancillary services; or
 - (c) *persons* acting as appointed representatives.

for the purposes of this definition:

- ...
- (D) (for the purposes of (2A)(b)):
- (a) “credit institution” means:
 - (i) a credit institution authorised under the *UK provisions which implemented the CRD*; or
 - (ii) an institution which would satisfy the requirements for authorisation as a credit institution under that directive if it had its registered office (or if it does not have one, its head office) in ~~an *EEA State*~~ the *UK*;

...

...

- (7) (in the definitions of ~~cross-border dispute~~, *domestic dispute*, *sales contract* and *service contract*, and in *DISP* 1.1.10-BR, *DISP* 1.1A.42R, *DISP* 2.7.3R and *DISP* 2.7.9AR) has the meaning in regulation 3 of the *ADR Regulations*, which is an individual acting for purposes which are wholly or mainly outside that individual's trade, business, craft, or profession.
[Note: article 4(1) of the *ADR Directive*]

...

*contingent
convertible
instrument*

a *financial instrument* which meets the requirements for either:

- (a) Additional Tier 1 instruments under article 52; or
- (b) Tier 2 instruments under article 63, provided:
- (i) the provisions governing the instrument require that, upon the occurrence of a trigger event, the principal amount of the instrument be written down on a permanent or temporary basis or the instrument be converted to one or more common equity Tier 1 instruments; and
- (ii) the trigger mechanism in (i) is different from, or additional to, any discretionary mechanism for converting or writing down the principal amount of the instrument which is activated following a determination by the relevant authority that the issuer of the *financial instrument* (or its *group*, or any member of its *group*) is no longer viable, or will no longer be viable unless the relevant instrument is converted or written down;

in each case of ~~Regulation of the European Parliament and the Council on prudential requirements for credit institutions and investment firms (Regulation (EU) No 575/2013) and amending Regulation (EU) No 648/2012~~ the *UK CRR*.

*contract for
differences*

- (1) the *investment*, specified in article 85 of the *Regulated Activities Order* (Contracts for differences etc), which is in summary rights under:

...

- (2) (in *COLL*) in addition and to the extent it does not fall within (1), an *investment* which would have been within the definition of "contract for differences" in the *FCA Handbook* immediately before *exit day*.

contract of insurance

...

- (2) (in relation to a contract) (in accordance with article 3(1) of the *Regulated Activities Order* (Interpretation)) any contract of insurance which is a *long-term insurance contract* or a *general insurance contract*, including:

...

- (e) contracts of a kind referred to in the UK provisions which implemented article 2(3)(b)(v) of the *Solvency II Directive* (Collective insurance etc); and
- (f) ~~contracts of a kind referred to in article 2(3)(e) of the *Solvency II Directive*~~ (Social insurance) contracts relating to the length of human life that are regulated by or under any enactment relating to social security, in so far as they are effected or carried out at their own risk by undertakings with permission to effect or carry out contracts of long-term insurance as principals;

...

contracts of large risks

(in *ICOBS* and *PROD*) *contracts of insurance* covering risks within the following categories, in accordance with the UK provisions which implemented article 13(27) of the *Solvency II Directive*:

...

[Note: article 13(27) of the *Solvency II Directive* and article 2(1)(16) of the *IDD*]

controller

...

- (4) *shares* and *voting power* that a *person* holds in a *firm* (“B”) or in a *parent undertaking* of B (“P”) are disregarded for the purposes of determining *control* in the following circumstances:

...

- (c) *shares* representing no more than 5% of the total voting power in B or P held by an *investment firm*, provided that:
- (i) it holds the *shares* in the capacity of a *market maker* ~~(as defined in article 4.1(7) of *MIFID*)~~ (article 2(1)(6) of *MiFIR*);

- (ii) ~~it is authorised by its *Home State Regulator* under *MiFID* has a *Part 4A permission* under the *Act* to carry on one or more *investment services and/or activities*; and~~
- (iii) it does not intervene in the management of B or P nor exerts any influence on B or P to buy the *shares* or back the share price;

...

- (e) *shares* held by a *credit institution* or an *investment firm* are disregarded, provided that:

- (i) the *shares* are held as a result of performing the *investment services* and activities of:

- (A) underwriting share issues; or

- (B) placing shares on a firm commitment basis in accordance with ~~Annex I, section A.6 of *MiFID*~~ paragraph 6 of Part 3 of Schedule 2 to the *Regulated Activities Order*; and

...

...

conversion factor ~~(in accordance with Article 4(28) of the *Banking Consolidation Directive* (Definitions) and for the purposes of *BIPRU*) the ratio of the currently undrawn amount of a commitment that will be drawn and outstanding at default to the currently undrawn amount of the commitment; the extent of the commitment is determined by the advised limit, unless the unadvised limit is higher.~~

[Note: article 4(28) of the *Banking Consolidation Directive* (Definitions)]

coordinator ~~(in relation to a *financial conglomerate*) the *competent authority* which has been appointed, in accordance with Article 10 of the *Financial Groups Directive* (Competent authority responsible for exercising supplementary supervision (the coordinator))~~ Regulation 1(2) of the *Financial Groups Directive Regulations*, as the competent authority which is responsible for the co-ordination and exercise of supplementary supervision of that *financial conglomerate*.

core UK group (1) (in relation to a *BIPRU firm*) all *undertakings* which, in relation to the *firm*, satisfy the conditions set out in *BIPRU* 3.2.25R (Zero risk-weighting for intra-group exposures: core UK group).

- (2) (in relation to an *IFPRU investment firm*) all counterparties which:
- (a) are listed in the *firm's* core UK group permission;
 - (b) satisfy the conditions in article 113(6) of the ~~EU-CRR~~ UK CRR (Calculation of risk-weighted exposure amounts: intragroup); and
 - (c) (unless it is an *IFPRU limited-activity firm* or *IFPRU limited-licence firm*, or an exempt *IFPRU commodities firm* to which article 493(1) of the ~~EU-CRR~~ UK CRR (Transitional provision for large exposures) apply) for which *exposures* are exempted, under article 400(1)(f) of the ~~EU-CRR~~ UK CRR (Large exposures: exemptions), from the application of article 395(1) of the ~~EU-CRR~~ UK CRR (Limits to large exposures).

core UK group permission

a permission given by the *FCA* under article 113(6) of the ~~EU-CRR~~ UK CRR (see *IFPRU* 8.1.14G to *IFPRU* 8.1.21G).

corporate governance rules

(in accordance with sections 73A(1) and 89O(1) of the *Act*) ~~rules for the purpose of implementing, enabling the implementation of or dealing with matters arising out of or related to, any EU law obligation~~ relating to the corporate governance of *issuers* who have requested or approved *admission to trading* of their securities ~~and about corporate governance in relation to such issuers for the purpose of implementing, or dealing with matters arising out of or related to, any EU law obligation~~. The *corporate governance rules* are located in chapters 1B, 4 and 7 of *DTR*.

countercyclical buffer rate

~~(in accordance with article 128(7) of the CRD (Definitions))~~ the rate:

- (a) expressed as a percentage of *total risk exposure amount* set by the *UK countercyclical buffer authority* ~~or an EEA countercyclical buffer authority~~; or
- (b) expressed in terms equivalent to a percentage of total risk exposure amount set by a *third-country countercyclical buffer authority*,

that a *firm* must apply in order to calculate its *countercyclical capital buffer*.

[Note: article 128(7) of the CRD (Definitions)]

countercyclical capital buffer

(in accordance with ~~article 128(2) of CRD (Definitions)~~ regulation 2(1) (Interpretation) of the Capital Requirements (Capital Buffers and Macro-prudential Measures Regulations 2014)) the amount of

common equity tier 1 capital a firm must calculate in line with IFRU 10.3.

counterparty credit risk

- (1) (~~in accordance with Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)~~ and for the purposes of *BIPRU*) the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows.
- (2) (other than in (1)) has the meaning as used in the ~~*EU-CRR*~~ *UK CRR*.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]

covered bond

- (1) (~~in accordance with Article 52(4) of the *UCITS Directive* and except for the purposes of the *IRB approach* or the *standardised approach* to credit risk~~) a bond that is issued by a *credit institution* which has its registered office in the *UK* or an *EEA* State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

[Note: article 52(4) of the *UCITS Directive*]

- (2) (~~in accordance with point 68 of Part 1 of Annex VI of the *Banking Consolidation Directive* (Exposures in the form of covered bonds)~~ and for the purposes of the *IRB approach* or the *standardised approach* to credit risk in *BIPRU*) a covered bond as defined in (1) ~~collateralised in accordance with *BIPRU* 3.4.107R (Exposures in the form of covered bonds)~~; that meets the following conditions:
 - (a) it is issued by a *credit institution* which has its registered office in the *United Kingdom*; and
 - (b) it is collateralised in accordance with *BIPRU* 3.4.107R (Exposures in the form of covered bonds).

[Note: point 68 of Part 1 of Annex VI of the *Banking Consolidation Directive* (Exposures in the form of covered bonds)]

- (3) ...

- (4) ~~for the purposes of *INSPRU 2.1*) a *debenture* that is issued by a *credit institution* which: [deleted]~~
- (a) ~~has its head office in an *EEA State*; and~~
- (b) ~~is subject by law to special official supervision designed to protect the holders of the *debenture*; in particular, sums deriving from the issue of the *debenture* must be invested in accordance with the law in assets which, during the whole period of validity of the *debenture*, are capable of covering claims attaching to the *debenture* and which, in the event of failure of the *issuer*, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.~~

CRD bank

a *bank* which uses the *EU-CRR UK CRR* to measure the capital requirement on its trading book.

CRD credit institution

(1) ~~(except in *COLL* and *FUND*) a *credit institution* that has its registered office (or, if it has no registered office, its head office) in an *EEA State* the *UK*, excluding an *institution* to which the *CRD* does not apply under the *UK* provisions which implemented article 2 of the *CRD* (see also *full CRD credit institution*).~~

(2) ~~(in *COLL* and *FUND*) a *credit institution* that:~~

(a) ~~has its registered office (or, if it has no registered office, its head office) in *the UK*, excluding an *institution* to which the *CRD* does not apply under the *UK* provisions which implemented article 2 of the *CRD*; or~~

(b) ~~has its registered office (or, if it has no registered office, its head office) in an *EEA State*, excluding an *institution* to which the *CRD* does not apply under article 2 of the *CRD*.~~

CRD full-scope firm

an investment firm as defined in article 4(1)(2) of the *EU-CRR UK CRR* that is subject to the requirements imposed by the *UK* provisions that implemented *MiFID* (or which would be subject to that Directive those requirements if its head office were in ~~an *EEA State*~~ the *UK*) and that is not a *limited activity firm* or a *limited licence firm*.

credit enhancement

(1) ~~(in accordance with Article 4(43) of the *Banking Consolidation Directive (Definitions)* and for the purposes of *BIPRU*) a contractual arrangement whereby the credit quality of a *position* in a *securitisation* (within the meaning of paragraph (2) of the definition of *securitisation*) is improved in relation to what it would have been if the enhancement had~~

not been provided, including the enhancement provided by more junior *tranches* in the *securitisation* and other types of credit protection.

[Note: article 4(43) of the *Banking Consolidation Directive (Definitions)*]

...

- credit institution*
- (1) (except in *REC* and *SUP* 16):
- (a) has the meaning in article 4(1)(1) of the ~~*EU-CRR UK CRR*~~; or
 - (b) [deleted]
 - (c) [deleted]
 - (d) [deleted]
- (2) (in *REC* and in *SUP* 11 (Controllers and close links) and *SUP* 16 (Reporting requirements)):
- (a) a credit institution ~~authorised under the *CRD*~~ which has permission under Part 4A of the Act to carry on the regulated activity of accepting deposits; or
 - (b) an institution which would satisfy the requirements for authorisation as a credit institution under ~~the *CRD* Part 4A of the Act~~ if it had its registered office (or if it does not have a registered office, its head office) in ~~an *EEA State*~~ the UK.
- (3) (in relation to the definition of *electronic money issuer* and *payment service provider*) a credit institution as defined by (1)(a) and includes a branch of the credit institution within the meaning of article 4(1)(17) of the ~~*EU-CRR UK CRR*~~ which is situated within the ~~*EEA UK*~~ and which has its head office in a territory outside the ~~*EEA UK*~~ ~~in accordance with article 47 of the *CRD*~~.

[Note: article 47 of the *CRD*]

- credit risk mitigation*
- (1) (in *GENPRU* (except in *GENPRU* 3) and *BIPRU* (except in *BIPRU* 12)) ~~(in accordance with Article 4(30) of the *Banking Consolidation Directive (Definitions)*)~~ a technique used by an *undertaking* to reduce the credit risk associated with an *exposure* or *exposures* which the *undertaking* continues to hold.

[Note: article 4(30) of the *Banking Consolidation Directive (Definitions)*]

(2) (except in (1)) has the meaning in article 4(1)(58) of the ~~EU CRR~~ UK CRR.

critical functions activities, services or operations (wherever carried out) the discontinuance of which is likely, ~~in one or more EEA States~~ to lead to the disruption of essential services to the real economy of the UK or disrupt financial stability in the UK due to the:

...

cross product netting ~~(in accordance with Part 1 of Annex III of the Banking Consolidation Directive (Definitions) and for the purpose of BIPRU 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions))~~ the inclusion of transactions of different product categories within the same *netting set* pursuant to the *rules* about cross product netting set out in BIPRU 13.

[Note: Part 1 of Annex III of the Banking Consolidation Directive (Definitions)]

CRR firm (for the purposes of SYSC) a *UK bank, building society* and an *investment firm* that is subject to the ~~EU CRR~~ UK CRR.

CSDR the UK version of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the EU and on central securities depositories and amending the Settlement Finality Directive and MiFID and the short selling regulation, which is part of UK law by virtue of the EUWA.

current approved person approval ...

(a) ...

(b) ...

A person treated as approved under section 59ZZA of the Act (as treated as being inserted into the Act by the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (SI 2018/1149)) has a current approved person approval.

current exposure ~~(in accordance with Part 1 of Annex III of the Banking Consolidation Directive (Definitions) and for the purpose of BIPRU 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions))~~ the larger of zero, or the market value of a transaction or portfolio of transactions within a *netting set* with a counterparty that would be lost upon the default of the counterparty, assuming no recovery on the value of those transactions in bankruptcy.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]

current market value (in accordance with Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions) and for the purpose of BIPRU 13.5 (CCR standardised method)) the net market value of the portfolio of transactions within the *netting set* with the counterparty; both positive and negative market values are used in computing *current market value*.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]

custody asset (1) other than when acting as trustee or depositary of an AIF or acting as trustee or depositary of a UK UCITS:

...

(3) in relation to acting as trustee or depositary of a UK UCITS in CASS 6:

...

deal on own account (1) (for the purposes of GENPRU and BIPRU) has the meaning in BIPRU 1.1.23R (Meaning of dealing on own account) which is in summary the service referred to in paragraph 3 of point 3 of Section A Annex I to ~~MiFID~~ Part 3 of Schedule 2 to the *Regulated Activities Order*, subject to the adjustments in BIPRU 1.1.23R(2) and BIPRU 1.1.23R(3) (~~Implementation of Article 5(2) of the Capital Adequacy Directive~~).

(2) (other than in GENPRU and BIPRU) has the meaning in IFPRU 1.1.12R (Meaning of dealing on own account) which is, in summary, the service referred to in point 3 of Section A of Annex I to ~~MiFID~~ paragraph 3 of Part 3 of Schedule 2 to the *Regulated Activities Order*, subject to the adjustments in IFPRU 1.1.12R(2) and IFPRU 1.1.12R(3) (~~Implementation of article 29(2) of CRD~~).

dealing on own account trading against proprietary capital resulting in the conclusion of transactions in one or more *financial instruments*.

[Note: article 4(1)(6) 2(1)(5) of ~~MIFID~~ MiFIR]

debt security

...

(2) (in DTR 4, DTR 5 and DTR 6) (~~in accordance with article 2.1(b) of the Transparency Directive~~) bonds or other forms of transferable securitised debts, with the exception of securities which are equivalent to *shares* in companies or which, if converted or if the rights conferred by them are exercised, give

rise to a right to acquire *shares* or securities equivalent to *shares*.

[Note: article 2.1(b) of the Transparency Directive]

- ...
- deposit* (1) (except in *COMP*) the *investment*, specified in article 74 and defined in articles 5(2) and 5(3) of the *Regulated Activities Order*, which is in summary: a sum of money (other than one excluded by any of articles 6 to 9 AB of the *Regulated Activities Order*) paid on terms:
- ...
- depository* (1) (except in *LR*):
- ...
- (ca) ~~(in relation to an *EEA UCITS scheme*) the person fulfilling the function of a depository in accordance with article 2(1)(a) of the *UCITS Directive*; [deleted]~~
- ...
- ...
- (e) (for an *AIF* managed by a *full-scope UK AIFM* ~~or a full-scope *EEA AIFM*~~ (other than an *AIF* which is an *ICVC*, an *AUT* or an *ACS*)) the person fulfilling:
- (i) the function of a depository in accordance with ~~article 21(1) of *AIFMD*~~ *FUND 3.4.11R*; or
- (ii) one or more of the functions of cash monitoring, safekeeping or oversight for a *non-EEA UK AIF*, in line with *FUND 3.11.33R(1)(a)* (*AIFM* of a *non-EEA UK AIF*).
- ...
- derivative* (1) (other than in *REC*, *MAR 5* and *MAR 5A*) a *contract for differences*, a *future* or an *option* (see also *securitised derivative*).
- [*Editor's note*: The current policy intention for *COLL* is to reflect the current scope of these definitions, which in turn are defined by reference to articles in the *Regulated Activities Order*. Please refer to the individual glossary terms for further information.]
- (2) (in *REC*, *MAR 5* and *MAR 5A*) ~~has the meaning in article 2(1)(29) of *MiFIR*~~ those financial instruments defined in

article 2 (1)(24)(c) of MiFIR or referred to in paragraphs 4 to 10 of Part 1 of Schedule 2 to the Regulated Activities Order.

[Note: article 2(1)(29) of MiFIR]

<i>designated investment</i>	<p>(1) a security or a contractually-based investment (other than a funeral plan contract and a right to or interest in a funeral plan contract) specified in Part III of the Regulated Activities Order (Specified Investments):</p> <p>...</p> <p>(hb) emissions auction product (article 82A) where it is a financial instrument; [deleted]</p> <p>...</p> <p>(4) <u>(in COLL) in addition and to the extent it does not fall within (1), a security or a contractually-based investment which would have been within the definition of “designated investment” in the FCA Handbook immediately before exit day.</u></p>
<i>designated investment business</i>	<p>any of the following activities, specified in Part II of the Regulated Activities Order (Specified Activities), which is carried on by way of business:</p> <p>...</p> <p>(ba) MiFID business bidding (part of bidding in emissions auctions) (article 24A); [deleted]</p> <p>...</p> <p>(p) managing a <u>UK UCITS</u>;</p> <p>(q) acting as trustee or depositary of a <u>UK UCITS</u>;</p> <p>...</p>
<i>designated money market fund</i>	<p>(in BIPRU 12 and BSOCS) a collective investment scheme authorised under the UCITS Directive or which is subject to supervision and, if applicable, authorised by an authority under the national law of an EEA State, and which <u>an authorised fund which</u> satisfies the following conditions:</p> <p>...</p>

dilution risk (~~in accordance with Article 4(24) of the *Banking Consolidation Directive (Definitions)*~~) the risk that an amount receivable is reduced through cash or non-cash credits to the obligor.

[Note: article 4(24) of the *Banking Consolidation Directive (Definitions)*]

discretionary pension benefit

- (1) (in SYSC 19C) enhanced pension benefits granted on a discretionary basis by a *firm* to an *employee* as part of that *employee's* variable *remuneration* package, but excluding accrued benefits granted to an *employee* under the terms of his company pension scheme. [Note: article 4(49) of the *Banking Consolidation Directive*]
- (2) (in IFPRU, SYSC 19A (IFPRU Remuneration Code) and SYSC 19D (Dual-regulated firms Remuneration Code)) has the meaning in article 4(1)(73) of the ~~EU~~ CRR UK CRR.

distribution in connection with common equity tier 1 capital

(~~in accordance with article 141(10) of CRD~~) includes:

- (a) a payment of cash dividends;
- (b) a distribution of fully or partly paid bonus *shares* or other capital instruments referred to in article 26(1)(a) of the ~~EU~~ CRR UK CRR (Common equity tier 1 items);
- (c) a redemption or purchase by a *firm* of its own *shares* or other capital instruments referred to in article 26(1)(a) of the ~~EU~~ CRR UK CRR (Common equity tier 1 items);
- (d) a repayment of amounts paid in connection with capital instruments referred to in article 26(1)(a) of the ~~EU~~ CRR UK CRR (Common equity tier 1 items); and
- (e) a distribution of items referred to in article 26(1)(b) to (e) of the ~~EU~~ CRR UK CRR (Common equity tier 1 items).

[Note: article 141(10) of CRD]

distribution of exposures

(~~in accordance with Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)*~~) and for the purpose of BIPRU 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) the forecast of the probability distribution of market values that is generated by setting forecast instances of negative net market values equal to zero.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]

distribution of market values

(~~in accordance with Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)~~ and for the purpose of BIPRU 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) the forecast of the probability distribution of net market values of transactions within a *netting set* for some future date (the forecasting horizon), given the realised market value of those transactions up to the present time.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]

DLG by default

...

(ca) In the case of a *group liquidity reporting firm* that is within paragraph (a) of the definition of *UK lead regulated firm* (it is not part of a group that is subject to consolidated supervision by the FCA or the PRA or any other *regulatory body*), paragraph (c)(i) of the definition of *DLG by default* is amended so that it only includes a member of the *firm's group* that falls into one of the following categories:

- (i) it is a *credit institution*; or
- (ii) it is an *investment firm* or *third country investment firm* authorised to *deal on own account*.

For these purposes:

- (iii) *credit institution* has the meaning used in SUP 16 (Reporting requirements), namely either of the following:
 - (A) a credit institution authorised under the *CRD* or
 - (B) an institution which would satisfy the requirements for authorisation as a credit institution under the *UK provisions which implemented the CRD* if it had its registered office (or if it does not have a registered office, its head office) in ~~an EEA State~~ the UK; and
- (iv) a *person* is authorised to *deal on own account* if:
 - (A) it is a *firm* and its *permission* includes that activity; or
 - (B) ~~it is an EEA firm and it is authorised by its Home State regulator to do that activity; or [deleted]~~

- (C) (if the carrying on of that activity is prohibited in a state or territory without an authorisation in that state or territory) that *person* has such an authorisation.

...

<i>domestic UCITS merger</i>	(in <i>COLL</i> and in accordance with article 2(1)(f) of the UCITS Directive regulations 7 and 8 of the <i>UCITS Regulations 2011</i>) a <i>UCITS merger</i> between two or more <i>UCITS schemes</i> in relation to which a <i>UCITS marketing notification</i> has been made in respect of at least one of the relevant <i>schemes</i> .
<i>durable medium</i>	<p>(a) paper; or</p> <p>(b) any instrument which enables the recipient to store information addressed personally to the recipient in a way accessible for future reference and for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored. In relation to the <i>equivalent business of a third country investment firm, MiFID optional exemption business or collective portfolio management</i>, if the relevant rule derives from the <i>MiFID Org Regulation</i> or <u>is a rule which implements implemented</u> the <i>UCITS Directive</i>, the <i>UCITS implementing Directive</i> or the <i>UCITS implementing Directive No 2</i> the instrument used must be:</p> <p>(i) ...</p> <p>...</p>
<i>early amortisation provision</i>	<p>(1) (in <i>BIPRU</i>) (in accordance with Article 100 of the <i>Banking Consolidation Directive</i> (Securitisation of revolving exposures)) and in relation to a <i>securitisation</i> within the meaning of paragraph (2) of the definition of <i>securitisation</i>) a contractual clause which requires, on the occurrence of defined events, investors' positions to be redeemed prior to the originally stated maturity of the securities issued.</p> <p><u>[Note: article 100 of the <i>Banking Consolidation Directive</i> (Securitisation of revolving exposures)]</u></p> <p>(2) (except in (1)) has the meaning in article 242(16) of the <i>EU CRR</i> <u><i>UK CRR</i></u>.</p>
<i>ECAI</i>	<p>(1) (except in <i>MIPRU</i>) an external credit assessment institution, as defined in article 4(1)(98) of the <i>EU CRR</i> <u><i>UK CRR</i></u>.</p> <p>(2) (in <i>MIPRU</i>) an external credit assessment institution.</p>

<i>EEA AIF</i>	<p>an AIF, other than a UK AIF, which:</p> <p>(a) is authorised or registered in an <i>EEA State</i> under the applicable national law; or</p> <p>(b) is not authorised or registered in an <i>EEA State</i> but has its registered office or head office in an <i>EEA State</i>.</p>
<i>EEA AIFM</i>	an <i>AIFM</i> which has its registered office in an <i>EEA State</i> other than the UK .
<i>EEA firm</i>	<p>(in accordance with paragraph 5 of Schedule 3 to the Act (EEA Passport Rights)) any of the following, if it does not have its relevant office in the <i>United Kingdom</i>:</p> <p>...</p> <p>(h) a <i>person</i> who has received authorisation under article 18 of the <u>EU auction regulation</u>;</p> <p>...</p>
<i>EEA key investor information document</i>	<p>a <i>document</i> that:</p> <p>(a) relates to an <i>EEA UCITS scheme</i>;</p> <p>(b) complies with the requirements of the KII Regulation <u>Commission Regulation (EU) No 583/2010</u>; and</p> <p>(c) is provided in a language stipulated by article 94(1)(b) of the UCITS Directive <u>English</u>.</p>
<i>EEA MiFID investment firm</i>	a MiFID investment firm whose Home State is not the United Kingdom <u>an EEA firm which would be a MiFID investment firm if it had its head office or registered office in the UK.</u>
<i>EEA regulator</i>	<p>(1) a <i>competent authority</i> for the purposes of any of the <i>Single Market Directives</i> or the <u>EU auction regulation</u>.</p> <p>(2) (in DEPP 7) (as defined in section 131FA of the Act) the competent authority of an EEA State other than the United Kingdom for the purposes of the short selling regulation.</p> <p>...</p>
<i>EEA SMCR firm</i>	<p>(a) ...</p> <p>(b) any other <i>SMCR firm</i> that is an incoming EEA firm or incoming Treaty firm <u>a TP firm</u>.</p>
<i>EEA State</i>	(in accordance with Schedule 1 to the Interpretation Act 1978), in relation to any time -

- (a) a state which at that time is a member State; or
- (b) any other state which is at that time a party to the EEA agreement.

[Note: Current non-member State parties to the EEA agreement are Norway, Iceland and Lichtenstein. ~~{Where the context requires, references to an EEA State include references to Gibraltar as appropriate.}~~]

<i>EEA UCITS management company</i>	any incoming EEA firm that is a management company <u>established in the EEA.</u>
<i>EEA UCITS Scheme</i>	a collective investment scheme established in accordance with the UCITS Directive in an EEA State other than the United Kingdom.
<i>effective expected exposure</i>	(in accordance with Part 1 of Annex III of the Banking Consolidation Directive (Definitions)) and for the purpose of BIPRU 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions) and as at a specific date) the maximum <i>expected exposure</i> that occurs at that date or any prior date; alternatively, it may be defined for a specific date as the greater of the <i>expected exposure</i> at that date, or the <i>effective exposure</i> at the previous date. <u>[Note: Part 1 of Annex III of the Banking Consolidation Directive (Definitions)]</u>
<i>effective expected positive exposure</i>	(in accordance with Part 1 of Annex III of the Banking Consolidation Directive (Definitions)) and for the purpose of BIPRU 13) the weighted average over time of <i>effective expected exposure</i> over the first year, or, if all the contracts within the <i>netting set</i> mature before one year, over the time period of the longest maturity contract in the <i>netting set</i> , where the weights are the proportion that an individual <i>expected exposure</i> represents of the entire time interval. <u>[Note: Part 1 of Annex III of the Banking Consolidation Directive (Definitions)]</u>
<i>effective maturity</i>	(in accordance with Part 1 of Annex III of the Banking Consolidation Directive (Definitions)) , for the purpose of the CCR internal model method and with respect to a <i>netting set</i> with maturity greater than one year) the ratio of the sum of <i>expected exposure</i> over the life of the transactions in the <i>netting set</i> discounted at the risk-free rate of return divided by the sum of <i>expected exposure</i> over one year in a <i>netting set</i> discounted at the risk-free rate; this effective maturity may be adjusted to reflect <i>rollover risk</i> by replacing <i>expected exposure</i> with <i>effective expected exposure</i> for forecasting horizons under one year. <u>[Note: Part 1 of Annex III of the Banking Consolidation Directive (Definitions)]</u>

<i>efficient portfolio management</i>	(in <i>COLL</i> and in accordance with article 11 of the <i>UCITS eligible assets Directive</i>) techniques and instruments which relate to <i>transferable securities</i> and <i>approved money-market instruments</i> and which fulfil the following criteria: ... [Note: article 11 of the <i>UCITS eligible assets Directive</i>]
<i>electronic commerce activity</i>	an activity which: (a) consists of the provision of an <i>information society service</i> from an <i>establishment</i> in an EEA State <u>the UK</u> ; and (b) is, or but for article 72A (Information society services) of the <i>Regulated Activities Order</i> (Information society services) (and irrespective of the effect of article 72 of that Order (Overseas persons)) would be, a <i>regulated activity</i> .
<i>electronic money issuer</i>	(1) (except in <i>DISP</i>) any of the following <i>persons</i> when they issue <i>electronic money</i> : ... (c) <i>EEA authorised electronic money institutions</i> ; <u>[deleted]</u> ... (f) the Bank of England, the European Central Bank and the national central banks of EEA States other than the United Kingdom , when not acting in their <u>its</u> capacity as a monetary authority or other public authority;
<i>eligible capital</i>	has the meaning in article 4(1)(71) of the <i>EU CRR</i> <u><i>UK CRR</i></u> .
<i>eligible institution</i>	(in <i>COLL</i>): (a) a <i>CRD credit institution</i> authorised by its <i>Home State regulator</i> ; (b) an <i>MiFID investment firm</i> authorised by <u>the FCA or an EEA MiFID investment firm authorised by its Home State regulator</u> .
<i>EMIR</i>	<u>the UK version of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, which is part of UK law</u>

	by virtue of the <u>EUWA</u> , sometimes referred to as the “European Markets Infrastructure Regulation”.
<i>EMIR indirect clearing RTS</i>	the <u>UK version of Commission Delegated Regulation (EU) No 2017/2155 of 22 September 2017 amending Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 with regard to regulatory technical standards on indirect clearing arrangements, which is part of UK law by virtue of the EUWA.</u>
<i>EMIR L2 Regulation</i>	the <u>UK version of Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements, the clearing obligation, the public register, access to a trading venue, non-financial counterparties, and risk mitigation techniques for OTC derivatives contracts not cleared by a CCP, which is part of UK law by virtue of the EUWA.</u>
<i>EMIR requirements</i>	requirements imposed under <i>EMIR</i> and any <i>onshored regulation</i> made under it <u>EU EMIR</u> .
<i>EMIR technical standards on OTC derivatives</i>	means the <u>UK version of “Commission Delegated Regulation (EU) 149/2013 of 19 December 2012 supplementing EMIR with regard to regulatory technical standards on indirect clearing arrangements, the clearing obligation, the public register, access to a trading venue, non-financial counterparties, and risk mitigation techniques for OTC derivatives contracts not cleared by a central counterparty”</u> , which is part of <u>UK law by virtue of the EUWA.</u>
<i>emission allowance</i>	... <ul style="list-style-type: none"> (3) (in <i>MAR 10</i> (Commodity derivative position limits and controls and position reporting)): <ul style="list-style-type: none"> (a) an allowance consisting of any units recognised for compliance with Directive 2003/87/EC (Emission Trading Scheme), as specified in paragraph (11) of Section C of Annex I of MiFID <u>Part 1 of Schedule 2 to the Regulated Activities Order</u>; or (b) any derivative of such an allowance, whether falling under paragraph (4) or (10) of Section C of Annex I of MiFID <u>Part 1 of Schedule 2 to the Regulated Activities Order</u>.
<i>energy market activity</i>	(a) any <i>regulated activity</i> other than bidding in emissions auctions in relation to an <i>energy investment</i> or to <i>energy</i> , or in relation to a <i>biomass investment</i> or <i>biomass</i> that is ancillary to activities related to <i>energy investments</i> or <i>energy</i> , which:

- (i) is the executing of own account transactions on any recognised investment exchange or designated investment exchange; or
- (ii) if it is not the *executing of transactions* on such exchanges, is performed in connection with or for persons who are not *retail clients*;

...

energy market participant

a *firm*:

...

- (b) which is not an *authorised professional firm, bank, BIPRU firm* (unless it is an *exempt BIPRU commodities firm*), *IFPRU investment firm* (unless it is an *exempt IFPRU commodities firm*), *building society, credit union, friendly society, ICVC, insurer, MiFID investment firm* (unless it is an *exempt BIPRU commodities firm* or *exempt IFPRU commodities firm*), *media firm, oil market participant, service company, insurance intermediary, home finance administrator, home finance provider, incoming EEA firm (without a top-up permission), or incoming Treaty firm (without a top-up permission)* or *regulated benchmark administrator*.

ESMA MAR delayed disclosure guidelines

ESMA's guidelines on 'Delay in the disclosure of inside information' (ESMA 2016/1478) dated 20 October 2016. ~~These are available at: https://www.esma.europa.eu/sites/default/files/library/2016-1478_mar_guidelines_-_legitimate_interests.pdf.~~

established

- (1) ~~(in accordance with article 4(1)(j) AIFMD):~~
 - (a) for *AIFMs*, 'having its registered office in';
 - (b) for *AIFs*, 'being authorised or registered in' or, if the *AIF* is not authorised or registered, 'having its registered office in'; or
 - (c) for *depositaries of unauthorised funds only*, 'having its registered office or branch in'.

[Note: article 4(1)(j) of AIFMD]

- (2) for a *depository* of a *UCITS scheme*, 'having its registered office ~~or branch~~ in'.

EU

the European Union, being the Union established by the Treaty on European Union signed at Maastricht on 7 February 1992 (as

	amended), <u>taking into account the UK's withdrawal from the Union pursuant to article 50 of the Treaty.</u>
<u>EU-adopted International Financial Reporting Standards (or EU adopted IFRS)</u>	international financial accounting standards within the meaning of EC Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002 as adopted from time to time by the European Commission in accordance with that Regulation.
<u>EU UK CRR</u>	the <u>UK version of Regulation of the European Parliament and the Council on prudential requirements for credit institutions and investment firms (Regulation (EU) No 575/2013) and amending Regulation (EU) No 648/2012, which is part of UK law by virtue of the EUWA.</u>
<i>excess spread</i>	(for the purposes of <i>BIPRU 9 (Securitisation)</i> , in relation to a <i>securitisation</i> (within the meaning of paragraph (2) of the definition of securitisation) and in accordance with Part 1 of Annex IX of the <i>Banking Consolidation Directive (Securitisation definitions)</i>) finance charge collections and other fee income received in respect of the <i>securitised exposures</i> net of costs and expenses. <u>[Note: Part 1 of Annex IX of the <i>Banking Consolidation Directive (Securitisation definitions)</i>]</u>
<i>exchange-traded fund</i>	a fund of which at least one <i>unit</i> or <i>share</i> class is traded throughout the day on at least one <i>trading venue</i> and with at least one market maker which takes action to ensure that the price of its <i>units</i> or <i>shares</i> on the trading venue does not vary significantly from its net asset value and, where applicable, from its indicative net asset value. <u>[Note: article 4(1)(46) 2(26) of MiFID <i>MiFIR</i>]</u>
<i>exchange traded product</i>	any of the following <i>investments</i> : (a) a <i>unit</i> or <i>share</i> in an <i>open-ended investment company</i> , a <i>debt security</i> or a <i>contract for differences</i> which meets all of the following criteria: (i) it is admitted to trading on a <i>regulated market</i> , an <u><i>EU regulated market</i></u> or a market operated by a <i>ROIE</i> ; ...
<i>excluded communication</i>	the following types of <i>financial promotion</i> (a <i>firm</i> may rely on more than one of the paragraphs in relation to the same <i>financial promotion</i>): ...

	(c) a <i>financial promotion</i> that is subject to, or exempted from, the <i>Takeover Code</i> or to the requirements relating to takeovers or related operations in another <i>EEA State</i>;
	...
<i>excluded custody activities</i>	any activities of a <i>firm</i> which: <ol style="list-style-type: none"> (a) are carried on in connection with, or for the purposes of, <i>managing a <u>UK UCITS</u></i> or an <i>AIF</i> (as the case may be); and (b) ...
<i>exempt CAD firm</i>	<ol style="list-style-type: none"> (1) (except in <i>SYSC</i> and <i>IPRU(INV)</i>) a <i>firm</i> as defined in article 4(1)(2)(c) of the <i>EU-CRR</i> <u><i>UK CRR</i></u> that is authorised to provide only one or more the following <i>investment services</i>: <ol style="list-style-type: none"> (a) investment advice; (b) receive and transmit orders from investors as referred to in Section A of Annex I of <i>MiFID</i> <u>Part 3 of Schedule 2 to the <i>Regulated Activities Order</i></u>. (2) (in <i>SYSC</i> and <i>IPRU(INV)</i>) a <i>firm</i> in (1) whose head office (or, if it has a registered office, that office) is in the United Kingdom.
<i>exempt IFPRU commodities firm</i>	an <i>IFPRU investment firm</i> which falls within the meaning in articles 493(1) and 498(1) of the <i>EU-CRR</i> <u><i>UK CRR</i></u> .
<i>expected exposure</i>	(in accordance with Part 1 of Annex III of the <i>Banking Consolidation Directive (Definitions)</i> and for the purpose of <i>BIPRU</i> 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) the average of the distribution of <i>exposures</i> at any particular future date before the longest maturity transaction in the <i>netting set</i> matures. <u>[Note: Part 1 of Annex III of the <i>Banking Consolidation Directive (Definitions)</i>]</u>
<i>expected loss</i>	(in accordance with Article 4(29) of the <i>Banking Consolidation Directive (Definitions)</i> and for the purposes of the <i>IRB approach</i> and the <i>standardised approach</i> to credit risk) the ratio of the amount expected to be lost on an <i>exposure</i> from a potential <i>default</i> of a counterparty or dilution over a one year period to the amount outstanding at default. <u>[Note: article 4(29) of the <i>Banking Consolidation Directive (Definitions)</i>]</u>

<i>expected positive exposure</i>	<p>(in accordance with Part 1 of Annex III of the <i>Banking Consolidation Directive</i> (Definitions) and for the purpose of <i>BIPRU 13</i> (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) the weighted average over time of <i>expected exposures</i> where the weights are the proportion that an individual <i>expected exposures</i> represents of the entire time interval; when calculating the minimum capital requirement, the average is taken over the first year or, if all the contracts within the <i>netting set</i> mature before one year, over the time period of the longest-maturity contract in the <i>netting set</i>.</p> <p>[<u>Note: Part 1 of Annex III of the <i>Banking Consolidation Directive</i> (Definitions)</u>]</p>
<i>exposure</i>	<p>(1) (in relation to a <i>firm</i> but subject to (2) and (6)) the maximum loss which the firm might suffer if:</p> <p style="margin-left: 40px;">(a) a counterparty or a group of connected counterparties fail to meet their obligations; or</p> <p style="margin-left: 40px;">(b) it realises assets or off-balance sheet positions.</p> <p>(2) (in accordance with Article 77 of the <i>Banking Consolidation Directive</i> and for the purposes of the calculation of the <i>credit risk capital component</i> and the <i>counterparty risk capital component</i> (including <i>BIPRU 3</i> (Standardised credit risk), <i>BIPRU 4</i> (The IRB approach), <i>BIPRU 5</i> (Credit risk mitigation), <i>BIPRU 9</i> (Securitisation)) an asset or off-balance sheet item.</p> <p>[<u>Note: article 77 of the <i>Banking Consolidation Directive</i></u>]</p> <p>...</p> <p>(4) (in <i>IFPRU</i> and to calculate <i>own funds requirements</i> under Part Three Title II (credit risk and counterparty credit risk)) has the meaning in article 5(1) of the <i>EU-CRR</i> <u><i>UK CRR</i></u>.</p> <p>(5) (in <i>IFPRU 8.2</i> (Large exposures) for the purpose of Part Four ((Large exposures) of the <i>EU-CRR</i> <u><i>UK CRR</i></u>) has the meaning in article 389 of the <i>EU-CRR</i> <u><i>UK CRR</i></u> (Large exposures: definitions).</p> <p>...</p>
<i>external valuer</i>	<p>a <i>person</i> who performs the valuation function described in article 19 of the <i>AIFMD</i> <u><i>FUND 3.9.4R</i> and <i>3.9.5R</i></u> in respect of an <i>AIF</i> managed by a <i>full-scope UK AIFM</i>, and is not the <i>AIFM</i> of that <i>AIF</i>.</p>
<i>extraordinary public financial support</i>	<p>State aid within article 107(1) of the <i>Treaty</i>, or any other public financial support at supra-national level, which, if given at national level, would constitute state aid that is given to preserve or restore the</p>

viability, liquidity or solvency of any member of an ~~RRD group~~ has the meaning provided in section 3 of the Banking Act 2009.

[Note: article 2(1)(28) of ~~RRD~~]

facilities

(in relation to a *recognised body*) the facilities and services which it provides in the course of carrying on *exempt activities*. References to the use of the facilities of an *RIE* ~~or *RAP*~~ are to be construed as follows:

- (a) dealings or transactions on an *RIE* ~~or *RAP*~~ are references to dealings or transactions which are effected by means of the *RIE's* ~~or *RAP's*~~ facilities or which are governed by the rules of the *RIE* ~~or *RAP*~~;
- (b) references to the use of the facilities of an *RIE* ~~or *RAP*~~ include use which consists of any such dealings or entering into any such transactions.

FCA consolidation group

the *undertakings* included in the scope of prudential consolidation to the extent and in the manner prescribed in Part One, Title II, Chapter 2, Sections 2 and 3 of the ~~*EU-CRR*~~ *UK CRR* and *IFPRU* 8.1.3 R to *IFPRU* 8.1.4 R (Prudential consolidation) for which the *FCA* is the *consolidating supervisor* under ~~article 111 of the *CRD*~~ article 4B of the *UK CRR*.

fee-paying electronic money issuer

any of the following when they issue *electronic money*:

...

- (c) ~~an *EEA authorised electronic money institution*; [deleted];~~
- (d) a *full credit institution*, including a branch of the *full credit institution* within the meaning of article 4(17) of the ~~*EU-CRR*~~ *UK CRR* which is situated ~~within the *EEA*~~ in the *United Kingdom* and which has its head office in a territory outside the ~~*EEA*~~ *United Kingdom* in accordance with article 47 of the ~~*EU-CRR*~~ *UK CRR*;

...

~~A *full credit institution* that is an *EEA firm* is only a *fee-paying electronic money issuer* if it is exercising an *EEA right* in accordance with Part II of Schedule 3 to the *Act* (Exercise of passport rights by *EEA firms*) to issue *electronic money* in the *United Kingdom*. An *EEA authorised electronic money institution* is only a *fee-paying electronic money issuer* if it is exercising a right under Article 3 of the *Electronic Money Directive* to issue *electronic money* in the *United Kingdom*. [deleted]~~

fee-paying payment service provider

any of the following when they provide *payment services*:

- (a) a *payment institution*;
- (b) a *full credit institution*;
- (c) an *electronic money issuer* (except where it is an *electronic money issuer* whose only *payment service* activities are those relating to the issuance of *electronic money* by itself or if it is a *credit union*, a municipal bank or the National Savings Bank);
- (d) the Post Office Limited;
- (e) the Bank of England, other than when acting in its capacity as a monetary authority or carrying out functions of a public nature; and
- (f) government departments and local authorities, other than when carrying out functions of a public nature.

~~A *full credit institution* that is an *EEA firm* is only a *fee paying payment service provider* if it is exercising an *EEA right in accordance with Part 2 of Schedule 3 to the Act* (exercise of passport rights) to provide *payment services* in the *United Kingdom*. An *EEA authorised payment institution* or an *EEA authorised electronic money institution* is only a *fee paying payment service provider* if it is exercising a right under Article 25 of the *Payment Services Directive* or Article 3 of the *Electronic Money Directive* to provide *payment services* in the *United Kingdom*.~~

feeder AIF

~~(in accordance with article 4(1)(m) of *AIFMD*) an *AIF* which:~~

~~...~~

~~[Note: article 4(1)(m) of *AIFMD*]~~

feeder UCITS

~~(in accordance with article 58(1) of the *UCITS Directive*):~~

- ~~(a) a *UCITS scheme* or a *sub-fund* of a *UCITS scheme* which has been approved by the *FCA*; or~~
- ~~(b) an *EEA UCITS scheme* or a *sub-fund* of an *EEA UCITS scheme* which has been approved by the *competent authority* of the *UCITS Home State*;~~

~~to invest at least 85% of its assets in the *units* of a single *master UCITS*.~~

~~[Note: article 58(1) of the *UCITS Directive*]~~

- final response* ...
- (3) (in *DISP*) either:
- (a) in relation to a *MiFID complaint*, a response in accordance with *DISP* 1.1A.29~~EU~~UK, *DISP* 1.1A.30~~EU~~UK and *DISP* 1.1A.31R; or
- (b) in relation to all other *complaints*, has the meaning given in *DISP* 1.6.2R(1).
- financial conglomerate* (in accordance with ~~Article 2(14) of the *Financial Groups Directive (Definitions)*~~ Regulation 1(2) of the *Financial Groups Directive Regulations*) a *consolidation group* that is identified as a *financial conglomerate* by the *financial conglomerate definition decision tree*.
- financial holding company* a *financial institution* that fulfils the following conditions:
- (1) (except in (2)) has the meaning in article 4(1)(20) of the ~~EU *CRR*~~ UK *CRR*.
- (2) (in *GENPRU* (except *GENPRU* 3) and *BIPRU* (except *BIPRU* 12)) a *financial institution* that fulfils the following conditions:
- (a) its *subsidiary undertakings* are exclusively or mainly *CAD investment firms* or *financial institutions*;
- (b) at least one of those *subsidiary undertakings* is a *CAD investment firm*; and
- (c) it is not a *mixed financial holding company*.
- financial institution* (1) (~~in accordance with paragraph 5(c) of Schedule 3 to the Act (EEA Passport Rights: EEA firm) and article 3(22) of the *CRD* (Definitions)~~), but not for the purposes of *GENPRU*, *BIPRU* and *IFPRU*), an undertaking, other than a *credit institution*, the principal activity of which is to acquire holdings or to carry on one or more of the listed activities listed in points 2 to 12 and 15 of Annex I to the *CRD*, which is a subsidiary of the kind mentioned in article 34 of the *CRD* and which fulfils the conditions in that article [deleted]
- (2) for the purposes of *GENPRU* (except *GENPRU* 3), *BIPRU* (except in *BIPRU* 12) and in accordance with Articles 1(3) (Scope) and 4(5) (Definitions) of the *Banking Consolidation Directive*):
- (a) an *undertaking*, other than a *credit institution* or an *investment firm*, the principal activity of which is to acquire holdings or to carry on one or more of the

~~listed activities~~ activities listed in points 2 to 12 and 15 of Annex I to the ~~Banking Consolidation Directive~~ Annex I activities including the services and activities provided for in Sections A and B of Annex I of the ~~MiFID~~ Parts 3 and 3A of Schedule 2 to the Regulated Activities Order when referring to financial instruments, ~~the financial instruments provided for in Section C of Annex I of that Directive~~

- (b) (for the purposes of consolidated requirements) those institutions ~~permanently excluded by~~ listed in Article 2 of the *Banking Consolidation Directive* (Scope), with the exception of the Bank of England and the central banks of EEA States other countries.

[Note: articles 1(3) (Scope) and 4(5) (Definitions) of the *Banking Consolidation Directive*]

- (3) (except in ~~(1)~~ and (2) and subject to (4)) has the meaning in article 4(1)(26) of the ~~EU-CRR~~ UK CRR.
- (4) (for the purposes of consolidated requirements in *IFPRU* ~~and in accordance with article 2(6) of CRD~~) the following:
- (a) financial institutions within the meaning in article 4(1)(26) of the ~~EU-CRR~~ UK CRR; and
- (b) those institutions permanently excluded by article 2(5) of *CRD* (Scope) with the exception of the ~~ESCB~~ central banks as defined in article 4(1)(4546) of the ~~EU-CRR~~ UK CRR.

[Note: article 2(6) of *CRD*]

financial instrument (1) (other than in (2), ~~and (3) and (4)~~ instruments specified in Section C of Annex I of MiFID, those instruments specified in Part 1 of Schedule 2 to the Regulated Activities Order, that is:

...

- (f) options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a *regulated market*, ~~an a UK MTF or an a UK OTF~~, except for wholesale energy products (having regard to article 6 of the *MiFID Org Regulation*) traded on ~~an a UK OTF~~ that must be physically settled where the conditions of article 5 of the *MiFID Org Regulation* are met;
- (g) options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can

be physically settled not otherwise mentioned in (f) and:

- (i) not being for commercial purposes or wholesale energy products traded on an EU OTF that must be physically settled, having regard to article 7(4) of the *MiFID Org Regulation*;
- (ii) which have the characteristics of other derivative financial instruments, having regard to article 7(1) of the *MiFID Org Regulation*; and
- (iii) not being spot contracts having regard to articles 7 (1) and (2) of the *MiFID Org Regulation*;

...

(2) ...

(3) (in *IFPRU*) has the meaning in article 4(50) of the ~~*EU CRR*~~ *UK CRR*.

(4) ~~(for a *UCITS custodial asset*) an instrument specified in Section C of Annex I to *MiFID*. [deleted]~~

financial promotion ...

(2) (in relation to *COBS* 3.2.1R(3) and *COBS* 4.3.1R) (in addition to (1)) a marketing communication within the meaning of the *UK provisions which implemented MiFID* made by a *firm* in connection with its *MiFID*, *equivalent third country* or *optional exemption business*.

(3) (in *MCOB* 3A), in addition to (1), any advertising or marketing communications within the meaning of the *UK provisions which implemented* articles 10 or 11 of the *MCD* made by an *MCD firm* in relation to an *MCD credit agreement*.

(4) (in *ICOBS* and in relation to a *life policy*, in *COBS* 3.2.1R(3) and *COBS* 4.3.1R), in addition to (1), any marketing communication within the meaning of the *UK provisions which implemented* article 17(2) of the *IDD*.

[Note: articles 10 and 11 of the ~~*MCD*~~; and article 17(2) of the *IDD*]

financial sector entity

has the meaning in article 4(1)(27) of the ~~*EU CRR*~~ *UK CRR*.

<i>Financial Services Register</i>	<p>the public record, as required by section 347 of the <i>Act</i> (The public record), regulation 4 of the <i>Payment Services Regulations</i> (The register of certain payment service providers), regulation 4 of the <i>Electronic Money Regulations</i> and article 8 of the <i>MCD Order</i>, of every:</p> <p>...</p> <p>(aa) authorised payment institution and its EEA branches;</p> <p>...</p> <p>(aca) authorised electronic money institution and an EEA branch of an authorised electronic money institution;</p> <p>...</p>
<i>FINREP firm</i>	<p>(a) a <i>credit institution</i> or <i>investment firm</i> subject to the EU CRR UK CRR that is also subject to article 4 of Regulation (EC) No 1606/2002 <u>section 403(1) of the Companies Act 2006</u>; or</p> <p>(b) a <i>credit institution</i> other than one referred to in article 4 of Regulation (EC) No 1606/2002 <u>section 403(1) of the Companies Act 2006</u> that prepares its consolidated accounts in conformity with the international accounting standards UK-adopted international accounting standards <u>adopted in accordance with the procedure laid down in article 6(2) of that Regulation.</u></p> <p>[Note: article 99 of the EU CRR UK CRR]</p>
<i>foreign currency loan</i>	<p>an <i>MCD credit agreement</i> where the <i>credit</i> is:</p> <p>(a) denominated in a currency other than that in which the <i>consumer</i> receives the income or holds the assets from which the <i>credit</i> is to be repaid; or</p> <p>(b) denominated in a currency other than that of the EEA State in which the consumer is resident <u>sterling.</u></p> <p>[Note: article 4(28) of the <i>MCD</i>]</p>
<i>full CRD credit institution</i>	<p>an <i>undertaking</i> whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account and that has its registered office (or, if it has no registered office, its head office) in an EEA state <u>the UK</u>, excluding an institution to which CRD does <u>did not apply under the UK provisions which implemented article 2 of CRD.</u></p>
<i>full-scope UK AIFM</i>	<p>a <i>UK AIFM</i> which:</p>

- (a) is not a *small AIFM*; or
- (b) is a *small AIFM* but has ~~opted in to AIFMD in accordance with article 3(4) of AIFMD~~ exercised the option to meet the full requirements applying to a full-scope AIFM.

funded credit protection

~~(in accordance with Article 4(31) of the *Banking Consolidation Directive (Definitions)* and for the purposes of BIPRU) a technique of *credit risk mitigation* where the reduction of the credit risk on the *exposure* of an undertaking derives from the right of the *undertaking*, in the event of the default of the counterparty or on the occurrence of other specified credit events relating to the counterparty, to liquidate, or to obtain transfer or appropriation of, or to retain certain assets or amounts, or to reduce the amount of the *exposure* to, or to replace it with, the amount of the difference between the amount of the *exposure* and the amount of a claim on the *undertaking*.~~

[Note: article 4(31) of the *Banking Consolidation Directive (Definitions)*]

future

- (1) the *investment*, specified in article 84 of the *Regulated Activities Order* (Futures), which is in summary: rights under a contract for the sale of a commodity or property of any other description under which delivery is to be made at a future date and at a price agreed on when the contract is made and futures and forwards to which article 84(1A), (1B), (1C), (1CA) or (1D) of the *Regulated Activities Order* applies.
- (2) (in *COLL*) in addition and to the extent it does not fall within (1), an *investment* which would have been within the definition of “future” in the *FCA Handbook* immediately before *exit day*.

general market risk

~~(in accordance with paragraph 12 of Annex I of the *Capital Adequacy Directive*) the risk of a price change in an *investment*:~~

- (a) (in relation to items that may or must be treated under BIPRU 7.2 (Interest Rate PRR)) owing to a change in the level of interest rates; or
- (b) (in relation to items that may or must be treated under BIPRU 7.3 (Equity PRR and basic interest rate PRR for equity derivatives) except insofar as BIPRU 7.3 relates to the calculation of the *interest rate PRR*) owing to a broad equity-market movement unrelated to any specific attributes of individual *securities*.

[Note: paragraph 12 of Annex I of the *Capital Adequacy Directive*]

general wrong-way risk

~~(in accordance with Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)* and for the purpose of BIPRU 13 (The calculation of counterparty risk exposure values for financial~~

derivatives, securities financing transactions and long settlement transactions)) the risk that arises when the probability of default of counterparties is positively correlated with general market risk factors.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]

government and public security

(1) the *investment*, specified in article 78 of the *Regulated Activities Order* (Government and public securities), which is in summary: a loan stock, bond or other instrument creating or acknowledging indebtedness, issued by or on behalf of:

...

(2) (in COLL) in addition and to the extent it does not fall within (1), an investment which would have been within the definition of “government and public security” in the FCA Handbook immediately before exit day.

group

...

(5) (in relation to a *common platform firm*) means the group of which that *firm* forms a part, consisting of a parent undertaking, its subsidiaries and the entities in which the parent undertaking or its subsidiaries hold a participation, as well as undertakings linked to each other by a consolidation article 12(1) relationship within the meaning of Article 12(1) of Directive 83/349/EEC on consolidated accounts.

...

group of connected clients

has the meaning given to it in article 4.1(39) of the ~~EU CRR~~ UK CRR.

hedging set

~~(in accordance with Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions) and for the purpose of BIPRU 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions))~~ a group of *risk positions* from the transactions within a single *netting set* for which only their balance is relevant for determining the *exposure* value under the *CCR standardised method*.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]

Home State

...

(4) ~~(in relation to an insurance undertaking with an *EEA right*) the *EEA State* in which the registered office of the insurance undertaking is situated. [deleted]~~

...

- (7) ~~(in relation to a *Treaty firm*) the *EEA State* in which its head office is situated, in accordance with paragraph 1 of Schedule 4 to the *Act* (Treaty Rights). [deleted]~~
- (8) ~~(in *LR* and *PR*) (as defined in section 102C of the *Act*) in relation to an issuer of *transferable securities*, the *EEA State* which is the “home Member State” for the purposes of the *prospectus directive* (which is to be determined in accordance with Article 2.1(m) of that directive). [deleted]~~
- (9) ~~(in *DTR*): [deleted]~~
- (a) ~~in the case of an *issuer* of *debt securities* the denomination per unit of which is less than EUR 1000 or an *issuer* of *shares*:~~
- (ii) ~~where the *issuer* is incorporated in the *EEA*, the *EEA State* in which it has its registered office;~~
- (ii) ~~where the *issuer* is incorporated in a third country, the *EEA State* chosen by the *issuer* from among the *EEA States* where its securities are admitted to trading on a *regulated market*; the choice of *Home State* shall remain valid unless the *issuer* has chosen a new *Home State* under (c) and has disclosed the choice in accordance with *DTR* 6.4.2R and *DTR* 6.4.3R.~~

~~The definition of *Home State* shall be applicable to *debt securities* in a currency other than Euro, provided that the value of such denomination per unit is, at the date of the issue, less than EUR 1 000, unless it is nearly equivalent to EUR 1 000;~~

- (b) ~~for an *issuer* not covered by (a), the *EEA State* chosen by the *issuer* from among the *EEA States* in which the *issuer* has its registered office, where applicable, and those *EEA States* where its securities are admitted to trading on a *regulated market*. The issuer may choose only one *EEA State* as its *Home State*. Its choice shall remain valid for at least three years unless its securities are no longer admitted to trading on any *regulated market* in the *EEA* or unless the *issuer* becomes covered by (a) or (c) during the three year period;~~
- (c) ~~for an *issuer* whose securities are no longer admitted to trading on a *regulated market* in its *Home State* as defined by (a)(ii) or (b) but instead are admitted to trading in one or more other *EEA States*, such new *Home State* as the *issuer* may choose from among the~~

~~EEA States where its securities are admitted to trading on a regulated market and, where applicable, the EEA State where the issuer has its registered office.~~

~~In the absence of disclosure by the issuer of its Home State as defined by (a)(ii) or (b) within a period of three months from the date that the issuer's securities are first admitted to trading on a regulated market, the Home State shall be determined in accordance with DTR 6.4.4R.~~

...

(11) ~~(in REC) in relation to an EEA market operator, the EEA State in which it has its registered office, or if it has no registered office, its head office. [deleted]~~

(12) (in relation to a person who has received authorisation under article 18 of the EU auction regulation) the EEA state in which the person is established and authorised under the EU auction regulation.

...

(17) (in relation to a TP firm) the EEA State that was indicated by the EU measure under which, immediately before exit day, the TP firm derived its authorisation to carry on a regulated activity in the UK.

Home State
regulator

(1) ~~(in relation to an EEA firm) (as defined in paragraph 9 of Schedule 3 to the Act (EEA Passport Rights)) the competent authority (under the relevant Single Market Directive or the EU auction regulation) of an EEA State (other than the United Kingdom) in relation to the EEA firm concerned.~~

(2) ~~(in relation to a UK firm or UCITS scheme) the FCA or PRA as the case may be. [deleted]~~

(3) ~~(in relation to a Treaty firm) (as defined in paragraph 1 of Schedule 4 to the Act (Treaty Rights)) the competent authority of the firm's Home State for the purpose of its Home State authorisation. [deleted]~~

...

Host State

(1) ~~(in LR and PR) as defined in Article 2.1(n) of the Prospectus Directive) the EEA State where an offer to the public is made or admission to trading is sought, when different from the Home State. [deleted]~~

- (1A) ~~(in DTR) an EEA State in which securities are admitted to trading on a regulated market, if different from the Home State. [deleted]~~
- (2) ~~(except in LR, PR and DTR and except in relation to MiFID) the EEA State in which an EEA firm, a UK firm, or a Treaty firm is exercising an EEA right or Treaty right to establish a branch or provide cross border services. [deleted]~~
- ...
- (4) ~~(in relation to the UCITS Directive) the EEA State, other than the UCITS Home State, in which units of a UCITS are marketed in accordance with a notification made under article 93 of that directive. [deleted]~~
- ...
- Host State regulator*
- (1) ~~(in relation to an EEA firm or a Treaty firm exercising an EEA right or Treaty right in the United Kingdom) the FCA or PRA as the case may be. [deleted]~~
- (2) ~~(in relation to a UK firm) (as defined in paragraph 11 of Schedule 3 to the Act (EEA Passport Rights)) the competent authority (under the relevant Single Market Directive or the auction regulation) of an EEA State (other than the United Kingdom) in relation to a UK firm's exercise of EEA rights there. [deleted]~~
- (3) ...
- (4) ~~(in relation to an EEA UCITS scheme which is a recognised scheme) the FCA. [deleted]~~
- (5) ~~(in relation to a UCITS that is the subject of a notification in accordance with article 93 of the UCITS Directive) the competent authority of an EEA State (other than the United Kingdom) in which units of the UCITS may be marketed to the public. [deleted]~~
- ICD claim*
- a claim:
- (a) ~~against a MiFID investment firm (including a credit institution which is a MiFID investment firm), whether established in the United Kingdom or in another EEA State (or, where applicable, a successor of such a firm); and~~
- ...

<i>IDD</i>	Insurance Distribution Directive, Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast). [Note: See http://eur-lex.europa.eu/eli/dir/2016/97/oj]
<i>IDD IPID Regulation</i>	<u>the UK version of Commission Implementing Regulation (EU) 2017/1469 of 11 August laying down a standardised presentation format for the insurance product information document, which is part of UK law by virtue of the EUWA.</u> [Note: See http://eur-lex.europa.eu/eli/reg_impl/2017/1469/oj]
<i>IDD POG Regulation</i>	<u>the UK version of Commission Delegated Regulation (EU) No 2017/2358 of 21 September 2017, supplementing the IDD of the European Parliament and of the Council with regard to product oversight and governance requirements for insurance undertakings and insurance distributors, which is part of UK law by virtue of the EUWA.</u>
<i>IDD Regulation</i>	<u>the UK version of Commission Delegated Regulation (EU) 2017/2359 of 21 September 2017, supplementing the IDD of the European Parliament and of the Council with regard to information requirements and conduct of business rules applicable to the distribution of insurance-based investment products, which is part of UK law by virtue of the EUWA.</u>
<i>IFPRU investment firm</i>	an <i>investment firm</i> , as defined in article 4(1)(2) of the EU CRR <u>UK CRR</u> (including a <i>collective portfolio management investment firm</i>), that satisfies the following conditions: <ul style="list-style-type: none"> (a) it is a <i>firm</i>; (b) its head office is in the <i>UK</i> and it is not otherwise excluded under <i>IFPRU</i> 1.1.5R; and (c) it is not a <i>designated investment firm</i>; that is not excluded under <i>IFPRU</i> 1.1.5R (Exclusion of certain types of firms).
<i>IFR</i>	<u>the UK version of Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions, which is part of UK law by virtue of the EUWA.</u>
<i>IFR transactions by acquirers operating in the United Kingdom</i>	all transactions subject to the <i>IFR</i> acquired by: <ul style="list-style-type: none"> (a) <i>UK-based acquirers</i> (or an <i>operator</i> acting as such an <i>acquirer</i>) resulting in payments to merchants located in the United Kingdom <u>UK</u>, where the <i>card issuer</i> is located in the EEA <u>UK</u>;

- (b) *UK-based acquirers* (or an *operator* acting as such an *acquirer*) resulting in payments to merchants located outside the ~~*United Kingdom*~~ *UK*, where the *card issuer* is located in the ~~*EEA*~~ *UK*; and
- (c) non-*UK-based acquirers* (or an *operator* acting as such an *acquirer*) resulting in payments to merchants located in the ~~*United Kingdom*~~ *UK*, where the *card issuer* is located in the ~~*EEA*~~ *UK*.

IFR transactions by card issuers operating in the United Kingdom

all transactions subject to the *IFR* on cards issued by *UK-based card issuers* (or an *operator* acting as such an *acquirer*), where the *acquirer* is located in the ~~*EEA*~~ *UK*.

EU-adopted IFRS

EU-adopted International Financial Reporting Standards

injured party

(in *ICOBS*) a resident of the *United Kingdom* or the *EEA* entitled to compensation in respect of any loss or injury caused by *vehicles*.

[Note: article 1(2) of Directive 72/166/EC (First Motor Insurance Directive)]

initial capital

- (1) [deleted]
- (2) [deleted]
- (3) [deleted]
- (3A) (in *IPRU(INV)* 11 ~~and in accordance with article 28(1) of the *CRD*~~) the amount of *own funds* referred to in article 26(1)(a) to (e) of the ~~*EU-CRR*~~ *UK CRR* and calculated in line with Part Two of those Regulations (*Own funds*);

[Note: article 28(1) of the *CRD*]

- (4) (in the case of a *BIPRU firm*) *capital resources* included in stage A (Core tier one capital) of the *capital resources table* plus *capital resources* included in stage B of the *capital resources table* (Perpetual non-cumulative preference shares);
- (5) ~~(in the case of an *institution* that is an *EEA firm*) capital resources calculated in accordance with the *CRD implementation measures* of its *Home State* for Article 4 of the *Capital Adequacy Directive* (Definition of initial capital) or Article 9 of the *Banking Consolidation Directive* (Initial capital requirements);~~ [deleted]
- (6) (for the purposes of the definition of *dealing on own account* in *BIPRU* and in the case of an *undertaking* not falling within (3) or (4)) *capital resources* calculated in accordance with (3)

- and paragraphs (3) and (4) of the definition of *capital resources*.
- (7) (in *IPRU(INV)* 13) the initial capital of a *firm* calculated in accordance with *IPRU(INV)* 13.1A.6R.
- (8) (for an *IFPRU investment firm* ~~and in accordance with article 28(1) of *CRD*~~) the amount of *own funds* referred to in article 26(1)(a) to (e) of the ~~*EU-CRR*~~ *UK CRR* and calculated in accordance with Part Two of those Regulations (Own funds).
 [Note: article 28(1) of *CRD*]
- (9) (for the purpose of the definition of dealing on own account in *IFPRU*) the amount of *own funds* referred to in article 26(1)(a) to (e) of the ~~*EU-CRR*~~ *UK CRR* and calculated in accordance with Part Two of those Regulations (Own funds).
- institution*
- (1) has the meaning in article 4(1)(3) of the ~~*EU-CRR*~~ *UK CRR*.
- (2) (for the purposes of *GENPRU* and *BIPRU*) includes a *CAD investment firm*.
- instrument constituting the fund*
- ...
- (ba) ~~(in relation to an EEA UCITS scheme) the fund rules or instrument of incorporation of such a scheme; [deleted]~~
- ...
- insurance-based investment product*
- a contract of insurance which offers a maturity or surrender value and where that maturity or surrender value is wholly or partially exposed, directly or indirectly, to market fluctuations, and does not include:
- ...
- (d) officially recognised occupational pension schemes falling under the scope of the *UK* provisions which implemented Directive 2003/41/EC or the *UK* provisions which implemented Directive 2009/138/EC;
- ...
- insurance holding company*
- (1) a *parent undertaking*, other than an *insurance undertaking*, the main business of which is to acquire and hold participations in *subsidiary undertakings* and which fulfils the following conditions:
- (a) its *subsidiary undertakings* are either exclusively or mainly *insurance undertakings*; and

- (b) at least one of those *subsidiary undertakings* is an *insurer* ~~or an EEA firm that is a regulated insurance entity~~ or a *reinsurance undertaking*; a *parent undertaking*, other than an *insurance undertaking*, that fulfils the conditions in paragraphs (1)(a) and (b) of this definition is not an *insurance holding company* if:
- (c) it is a *mixed financial holding company*; and
- (d) notice has been given in accordance with ~~Article 4(2) of the Financial Groups Directive~~ Regulation 2 of the Financial Groups Directive Regulations that the *financial conglomerate* of which it is a *mixed financial holding company* is a *financial conglomerate*.

insurance sector

a sector composed of one or more of the following entities:

- (a) ~~“Solvency II undertaking”~~ “UK Solvency II firm” as defined in the PRA Rulebook: Glossary;

...

insurance special purpose vehicle

an *undertaking* whether incorporated or not, which has received authorisation in accordance with the UK provisions which implemented article 211(1) or (3) of the *Solvency II Directive* and:

- (a) which assumes risks from an insurer or a regulated insurance entity; and

...

interest-rate contract

interest-rate contracts listed in paragraph 1 of Annex II to the ~~EU CRR~~ UK CRR.

internal approaches

one or more of the following, as referred to in the ~~EU CRR~~ UK CRR:

- (a) the Internal Ratings Based Approach in article 143(1);
- (b) the Internal Models Approach in article 221;
- (c) the own estimates approach in article 225;
- (d) the Advanced Measurement Approaches in article 312(2);
- (e) the Internal Model Method and internal models in articles 283 and 363; and
- (f) the internal assessment approach in article 259(3).

EU-adopted international accounting standards means the international accounting standards, within the meaning of EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, adopted from time to time by the European Commission in accordance with that Regulation.

EU-adopted International Financial Reporting Standards international financial accounting standards within the meaning of EC Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002 as adopted from time to time by the European Commission in accordance with that Regulation.

intra-group transactions (~~in accordance with Article 2(18) of the *Financial Groups Directive (Definitions)*~~) all transactions by which *regulated entities* within a *financial conglomerate* rely either directly or indirectly upon other *undertakings* within the same *financial conglomerate* or upon any *person* linked to the *undertakings* within that *financial conglomerate* by *close links*, for the fulfilment of an obligation whether or not contractual, and whether or not for payment.

[Note: article 2(18) of the *Financial Groups Directive (Definitions)*]

investment firm

- (1) any person whose regular occupation or business is the provision of one or more *investment services* to third parties and/or the performance of one or more investment activities on a professional basis.
[Note: article 4(1)(1) of ~~MiFID~~ 2(1A) of MiFIR]
- (2) (in *REC*) a *MiFID investment firm*, or a person who would be a *MiFID investment firm* if it had its head office in the EEA UK.
- (3) (in the definition of IDD ancillary insurance intermediary, and *IFPRU* and *BIPRU* 12) has the meaning in article 4(1)(2) of the ~~EU CRR~~ UK CRR.

[Note: article 2(1)(4) of the *IDD*]

...

investment management firm a *firm* whose *permitted activities* include *designated investment business*, which is not an *authorised professional firm*, *bank*, *IFPRU investment firm*, *BIPRU firm*, *collective portfolio management firm*, *credit union*, *energy market participant*, *friendly society*, *ICVC*, *insurer*, *media firm*, *oil market participant*, or service company, ~~*incoming EEA firm (without a top-up permission)*, *incoming Treaty firm (without a top-up permission)*, or *UCITS qualifier (without a top-up permission)*~~, whose *permission* does not include a *requirement* that it comply with *IPRU-INV 3* or *IPRU-INV 13* (Personal investment firms) and which is within (a), (b) or (c):

...

(c) a firm:

...

(ii) for which the most substantial part of its gross income (including *commissions*) from the *designated investment business* included in its *Part 4A permission* is derived from one or more of the following activities (based, for a firm given a *Part 4A permission* after commencement, on the business plan submitted as part of the firm's application for *permission* or, for a firm authorised under section 25 of the Financial Services Act 1986, on the firm's financial year preceding its *authorisation* under the Act):

...

(D acting as a trustee or depositary of a UK UCITS;

c)

...

investment service ~~any of the following involving the provision of a service in relation to a financial instrument: any of the services listed in Part 3 of Schedule 2 to the Regulated Activities Order, relating to any of the instruments listed in Part 1 of Schedule 2 to that order, that is:~~

...

[Note: article 4(1)(2) 2(2) of, and section A of Annex 1 to, *MiFID* and article 6(5) of the *auction regulation MiFIR*]

investment services and/or activities ~~any of the services and activities listed in Section A of Annex I to MiFID relating to any financial instrument any of the services and activities listed in Part 3 of Schedule 2 to the Regulated Activities Order, relating to any of the instruments listed in Part 1 of Schedule 2 to that order, that is:~~

...

[Note: article 4(1)(2) 2(2) of, and section A of Annex 1 to, *MiFID* and article 6(5) of the *auction regulation MiFIR*]

investment trust a company which:

(a) is approved by the Commissioners for HM Revenue and Customs under sections 1158 and 1159 of the Corporation Tax Act 2010 (or, in the case of a newly formed *company*, has declared its intention to conduct its affairs so as to obtain such approval); or

	(b) (for the purposes of the definitions of <i>non-mainstream pooled investment</i> and <i>packaged product</i> only) is resident in an <i>EEA State other than the United Kingdom</i> and would qualify for such approval if resident in the <i>United Kingdom</i> .
<i>IRB permission</i>	an Article 129 implementing measure , a requirement or a waiver that requires a <i>BIPRU firm</i> or a <i>CAD investment firm</i> to use the <i>IRB approach</i> .
<i>key investor information</i>	(1) (for a <i>UCITS</i>) key information for investors on the essential elements of a <i>UCITS scheme</i> or EEA UCITS scheme , as detailed in article 78 of the <i>UCITS Directive</i> and in the <i>KII Regulation</i> . (2) ...
<i>KII Regulation</i>	<u>the UK version of Commission Regulation (EU) No 583/2010, specifying the form and contents of <i>key investor information</i>, the text of which is reproduced in <i>COLL Appendix 1EU Appendix 1UK</i>, which is part of <i>UK law</i> by virtue of the <i>EUWA</i>.</u>
<i>KIRB</i>	(for the purposes of <i>BIPRU 9</i> (Securitisation), in relation to a <i>securitisation</i> (within the meaning of paragraph (2) of the definition of securitisation) and in accordance with Part 1 of Annex IX of the <i>Banking Consolidation Directive</i> (Securitisation definitions)) 8% of the <i>risk weighted exposure amounts</i> that would be calculated under the <i>IRB approach</i> in respect of the <i>securitised exposures</i> , had they not been <i>securitised</i> , plus the amount of <i>expected losses</i> associated with those <i>exposures</i> calculated under the <i>IRB approach</i> . [Note: Part 1 of Annex IX of the <i>Banking Consolidation Directive</i> (Securitisation definitions)]
<i>large exposure</i>	(1) (in <i>BIPRU</i>) the <i>exposure</i> of a <i>firm</i> to a <i>counterparty</i> , or a <i>group of connected clients</i> , whether in the <i>firm's non-trading book</i> or <i>trading book</i> or both, which in aggregate equals or exceeds 10% of the <i>firm's capital resources</i> . (2) (except in (1)) has the meaning in article 392 of the <i>EU CRR</i> <u><i>UK CRR</i></u> (Definition of a large exposure).
<i>lending firm</i>	(in accordance with Article 90 of the <i>Banking Consolidation Directive</i> (Credit risk mitigation) and for the purposes of rules in <i>BIPRU</i> about <i>credit risk mitigation</i>) a <i>firm</i> that has an <i>exposure</i> , whether or not deriving from a loan. [Note: article 90 of the <i>Banking Consolidation Directive</i> (Credit risk mitigation)]
<i>leverage</i>	(in accordance with article 4(1)(v) of <i>AIFMD</i>) any method by which an <i>AIFM</i> increases the exposure of an <i>AIF</i> it manages whether

through borrowing of cash or *securities*, or leverage embedded in *derivative* positions or by any other means.

[Note: article 4(1)(v) of AIFMD]

<i>limited activity firm</i>	has the meaning in article 96(1) of the EU-CRR <u>UK CRR</u> .
<i>limited licence firm</i>	has the meaning in article 95(1) of the EU-CRR <u>UK CRR</u> .
<i>liquidity facility</i>	(for the purposes of <i>BIPRU 9</i> (Securitisation), in relation to a <i>securitisation</i> (within the meaning of paragraph (2) of the definition of securitisation) and in accordance with Part 1 of Annex IX of the Banking Consolidation Directive (Securitisation definitions)) the <i>securitisation position</i> arising from a contractual agreement to provide funding to ensure timeliness of cash-flows to investors. [<u>Note: Part 1 of Annex IX of the Banking Consolidation Directive (Securitisation definitions)</u>]
<i>liquidity risk</i>	(1) (in <i>COLL</i> and in accordance with article 3(8) of the UCITS implementing Directive) the risk that a position in a <i>UCITS'</i> portfolio cannot be sold, liquidated or closed out at limited cost in an adequately short timeframe and that the ability of the <i>scheme</i> to comply at any time with <i>COLL</i> 6.2.16R (Sale and redemption) or, in the case of an EEA UCITS scheme, article 84(1) of the UCITS Directive is thereby compromised. [<u>Note: article 3(8) of the UCITS implementing Directive</u>]
	...
<i>listed activity</i>	an activity listed in Annex 1 to the CRD <u>the Annex 1 Activities</u> .
<i>local firm</i>	has the meaning in article 4(1)(4) of the EU-CRR <u>UK CRR</u> .
<i>long settlement transaction</i>	(in accordance with Part 1 of Annex III of the Banking Consolidation Directive (Definitions)) a transaction where a counterparty undertakes to deliver a security, a <i>commodity</i> , or a <i>foreign currency</i> amount against cash, other <i>CRD financial instruments</i> , or <i>commodities</i> , or vice versa, at a settlement or delivery date that is contractually specified as more than the lower of the market standard for this particular transaction and five <i>business days</i> after the date on which the <i>person</i> enters into the transaction. [<u>Note: Part 1 of Annex III of the Banking Consolidation Directive (Definitions)</u>]
<i>loss</i>	(in accordance with Article 4(26) of the Banking Consolidation Directive (Definitions)) and for the purposes of the <i>IRB approach</i> , the <i>standardised approach</i> to credit risk and <i>BIPRU 5</i> (Credit risk mitigation)) economic loss, including material discount effects, and material direct and indirect costs associated with collecting on the instrument.

[Note: article 4(26) of the *Banking Consolidation Directive* (Definitions)]

- (1) (in *BIPRU* and in accordance with ~~Article 4(26) of the *Banking Consolidation Directive* (Definitions)~~ and for the purposes of the *IRB approach*, the *standardised approach* to credit risk and *BIPRU 5* (Credit risk mitigation)) economic loss, including material discount effects, and material direct and indirect costs associated with collecting on the instrument.

[Note: article 4(26) of the *Banking Consolidation Directive* (Definitions)]

- (2) (except in (2)) has the meaning in article 5(1) of the ~~*EU CRR*~~ *UK CRR*.

loss given default

(in accordance with ~~Article 4(27) of the *Banking Consolidation Directive* (Definitions)~~ and in relation to the *IRB approach*) the ratio of the *loss* on an *exposure* due to the *default* of a counterparty to the amount outstanding at *default*.

[Note: article 4(27) of the *Banking Consolidation Directive* (Definitions)]

low frequency liquidity reporting firm

...

- (c) a *standard ILAS BIPRU firm* that meets the following conditions:
- (i) it does not have any *annual report and accounts* and it has been too recently established to be required to have produced any;
 - (ii) it has submitted a projected balance sheet to the *FCA* or *PRA* (as the case may be) as part of an application for a *Part 4A permission* or a variation of one; and
 - (iii) the most recent such balance sheet shows that the *firm* will meet the size condition set out in (b) in all periods covered by those projections.

In respect of ~~an incoming EEA firm or a~~ *third country BIPRU firm* that is also a *standard ILAS BIPRU firm* and which reports on the basis of its branch operation in the *United Kingdom*, if the balance sheet assets attributable to the *UK branch* can be determined from the *firm's* most recent *annual report and accounts* (or, if applicable, the projected balance sheet) or any *data item* submitted by the *firm*, then paragraphs (b) and (c) apply at the level of the *branch* rather than of the *firm*.

M2G

the MiFID 2 Onshoring Guide.

- management body*
- (1) (other than in (2)) (in accordance with article ~~3(7) of CRD~~ and article 4(1)(36) of *MiFID* 4(1)(9) of the *UK CRR*) the *governing body* and *senior personnel* who are empowered to set the *person's* strategy, objectives and overall direction, and which oversee and monitor management decision-making in the following:
- (a) a *common platform firm* (in relation to the requirements imposed by or under the *UK provisions which implemented MiFID or MiFIR*); or
 - (b) a *recognised investment exchange*; or
 - (c) a *data reporting services provider*.

[Note: article 4(1)(36) of *MiFiD*]

- (2) (in *COLL* and in *SYSC* 19E and ~~in accordance with article 2(1)(s) of the UCITS Directive~~), the *governing body* of a *management company* or *depository* of a *UCITS scheme* ~~or an EEA UCITS scheme~~, as applicable, with ultimate decision-making authority comprising the supervisory and the managerial function or only the managerial function, if the two functions are separated.

[Note: article 2(1)(s) of the *UCITS Directive*]

management company

~~(in accordance with article 2(1)(b) of the UCITS Directive) a company, the regular business of which is the management of UCITS in the form of unit trusts, common funds (including authorised contractual schemes) or investment companies (collective portfolio management), including, where permitted by its Home State regulator, the additional services referred to in article 6(3) of that directive, as defined in section 237(2) of the Act, that is:~~

- (1) a company, the regular business of which is:
- (a) the management of UK UCITS; or
 - (b) the management of other collective investment undertakings which are not UK UCITS (and whose units cannot be marketed as such) and for which the management company is subject to prudential supervision, where undertaken in addition to the activity in sub-paragraph (a).
- (2) For the purposes of paragraph 1(a) above, the regular business of a management company may include the following services, where permitted by the FCA and where undertaken in addition to the activity in paragraph 1 (a) above:

- (a) management of portfolios of investments, including those owned by pension funds, in accordance with mandates given by investors on a discretionary, client-by-client basis, where such portfolios include one or more *financial instruments*; and
 - (b) the following non-core services, where provided in addition to the services in paragraph 2(a) above:
 - (i) investment advice concerning one or more *financial instruments*;
 - (ii) safekeeping and administration in relation to *units* of collective investment undertakings.
 - (3) For the purposes of paragraph 1(b) above, the management of other *collective investment schemes* includes the functions referred to in schedule 6 of the *Regulated Activities Order*.
- manager*
- (1) (in relation to an *AUT*) the ~~*firm, including, if relevant, an EEA UCITS management company or incoming EEA AIFM*~~ which is the manager of the *AUT* in accordance with the *trust deed*.
 - (1A) (in relation to an *OEIC* which is ~~an undertaking for collective investment in transferable securities within the meaning of the *UCITS Directive*~~ a *UK UCITS* or which is an *AIF*, and which has appointed a *person* to manage the *scheme*) the *person* appointed to manage the *scheme*.
- ...
- managing a UK UCITS*
- the *regulated activity*, specified in article 51ZA of the *Regulated Activities Order* of carrying on collective portfolio management within the meaning of the *UCITS Directive*, in relation to ~~an~~ a *UK UCITS*.
- margin agreement*
- ~~(in accordance with Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)* and for the purpose of BIPRU 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions))~~ a contractual agreement or provisions to an agreement under which one counterparty must supply collateral to a second counterparty when an *exposure* of that second counterparty to the first counterparty exceeds a specified level.
- [Note: Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)*]
- margin lending transaction*
- ~~(in accordance with Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)* and for the purpose of BIPRU 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement~~

transactions)) transactions in which a *person* extends credit in connection with the purchase, sale, carrying or trading of securities; the definition does not include other loans that happen to be secured by securities collateral.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]

margin period of risk (~~in accordance with Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)~~ and for the purpose of *BIPRU* 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) the time period from the last exchange of collateral covering a *netting set* of transactions with a defaulting counterpart until that counterpart is closed out and the resulting market risk is re-hedged.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]

margin threshold (~~in accordance with Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)~~ and for the purpose of *BIPRU* 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) the largest amount of an *exposure* that remains outstanding until one party has the right to call for collateral.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]

Market Abuse Regulation the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of UK law by virtue of the *EUWA*.

marketing (1) ...

(2) (except in *COLL*) a direct or indirect offering or placement, at the initiative of the *AIFM* or on behalf of the *AIFM* of *units* or *shares* of an *AIF* it manages, to or with investors domiciled or with a registered office in the ~~EEA~~ UK.

[Note: article 4(1)(x) of *AIFMD*]

market maker (1) ...

(2) (in ~~*COBS* and *DTR*~~) a *person* who holds himself or herself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling *financial instruments* against ~~his~~ that person's proprietary capital at prices defined by ~~him~~ that person.

[Note: article 4(1)(7) 2(1)(6) of ~~MiFID~~ MiFIR]

- (3) [deleted]
- (4) (in DTR) a person who holds himself or herself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person.

market making activities

~~(as defined in article 2(1)(k) of the *short selling regulation*) the activities of an investment firm, a credit institution, a third country entity, or a firm as referred to in point (l) of article 2(1) of *MiFID*, which is a member of a trading venue or of a market in a third country, the legal and supervisory framework of which has been declared equivalent by the European Commission pursuant to article 17(2) of the *short selling regulation* where it deals as principal in a financial instrument, whether traded on or outside a trading venue, in any of the following capacities:~~

- ~~(a) by posting firm, simultaneous two way quotes of comparable size and at competitive prices, with the result of providing liquidity on a regular and ongoing basis to the market; or~~
- ~~(b) as part of its usual business, by fulfilling orders initiated by clients or in response to clients' requests to trade; or~~
- ~~(c) by hedging positions arising from the fulfilment of tasks under points (a) and (b).~~

(as defined in article 2(1)(k) of the *short selling regulation*) means the activities of an investment firm, a credit institution, a third-country entity, or a firm as referred to in point (ka), which is a member of a trading venue or of a market in a third country, the legal and supervisory framework of which has been declared equivalent by the Commission pursuant to article 17(2) as it had effect before *exit day*, or by the Treasury in accordance with that paragraph as amended, or with regulation 16 of the Short Selling (EU Exit) (Amendment) Regulations 2018, where it deals as principal in a financial instrument, whether traded on or outside a trading venue, in any of the following capacities:

- (i) by posting firm, simultaneous two-way quotes of comparable size and at competitive prices, with the result of providing liquidity on a regular and ongoing basis to the market;
- (ii) as part of its usual business, by fulfilling orders initiated by clients or in response to clients' requests to trade; or
- (iii) by hedging positions arising from the fulfilment of tasks under points (i) and (ii).

[Note: Point 2(1)(ka) of the *short selling regulation* provides: For the purposes of point (k), the firms referred to in this point are firms which provide investment services and/or perform investment activities consisting exclusively in dealing on own account on markets in financial futures or options or other derivatives and on cash markets for the sole purpose of hedging positions on derivatives markets or which deal for the accounts of other members of those markets or make prices for them and which are guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such firms is assumed by clearing members of the same markets.]

- market operator* a *person* or *persons* who manages and/or operates the business of a regulated market and who may be the regulated market itself.
[Note: article ~~(4)(1)(18) MiFID~~ 2(1)(10) of MiFIR]
- master AIF* ~~(in accordance with article 4(1)(y) of AIFMD)~~ an *AIF* in which another *AIF* (a *feeder AIF*) invests or has an exposure in accordance with the definition of “*feeder AIF*”.
[Note: article 4(1)(y) of AIFMD]
- master UCITS* ~~(in accordance with article 58(3) of the UCITS Directive)~~ a *UCITS scheme*, an *EEA UCITS scheme* or a *sub-fund* of such a *scheme* where:
- (a) at least one of its *Unitholders* is a *feeder UCITS*;
 - (b) it is not itself a *feeder UCITS*; and
 - (c) it does not hold *units* of a *feeder UCITS*.
- [Note: article 58(3) of the *UCITS Directive*]
- merging UCITS* (in *COLL* and in accordance with regulations 7 and 8 of the *UCITS Regulations 2011*) in relation to a *UCITS merger*, the *UCITS scheme*, ~~EEA UCITS scheme~~ or *sub-fund* of such a *scheme*, that under the proposed arrangements will be transferring all its assets and liabilities to the *receiving UCITS*.
- MiFID complaint* any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a *person* about the provision of, or failure to provide, a financial service or a *redress determination*:
- (a) which alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and
 - (b) either:
 - (i) to which article 26 of the *MiFID Org Regulation* applies; or

- (ii) which concerns the *equivalent business of a third country investment firm*.

[Note: For the application of article 26 of the *MiFID Org Regulation*, see the UK provisions which implemented articles 1(1), 1(3), 1(4), 39 and 41 of *MiFID*, article 1 of the *MiFID Org Regulation*, *DISP* 1.1A.3G and *DISP* 1.1A.4G]

[Note: a *MiFID complaint* which falls within the jurisdiction of the *Financial Ombudsman Service* is a *complaint*]

- MiFID investment firm*
- (1) (in summary) (~~except in SUP 13, SUP 13A and SUP 14 in relation to notification of passported activity~~) a firm to which *MiFID* ~~applies~~ would apply if it had its head office or registered office in the EEA including, for some purposes only, a *credit institution* and *collective portfolio management investment firm*.
- (2) (in full) a firm (~~except in SUP 13, SUP 13A and SUP 14 in relation to notification of passported activity~~) which is:
- (a) an *investment firm* with its head office in the ~~EEA~~ UK (or, if it has a registered office, that office);
- (b) a *CRD credit institution* (only when providing an *investment service or activity* or when selling, or advising *clients* in relation to, *structured deposits*, for the purposes of:
- (i) the ~~rules implementing~~ rules corresponding to the articles referred to in article 1(3) and article 1(4) of *MiFID*;
- (ii) the requirements imposed upon it by and under *MiFIR*; and
- (iii) the requirements imposed upon it by onshored regulations which were previously EU regulations made under *MiFID*);
- (ba) *CRD credit institution* (only when providing an *investment service or activity*) in relation to *COMP* or *FEES* 6);
- (c) a *collective portfolio management investment firm* (only when providing the services referred to in article 6(4) *AIFMD* or article 6(3) of the *UCITS Directive* in relation to the ~~rules which implemented~~ implementing the articles of *MiFID* referred to in article 6(6) of *AIFMD* or Article 6(4) of the *UCITS Directive* and for a *full-scope UK AIFM*, where relevant, ~~or~~ the *rules*

~~implementing which implemented~~ article 12(2)(b) of *AIFMD*);

unless, and to the extent that, it is a *person* to which Part 1 of Schedule 3 to the *Regulated Activities Order* or regulation 8 of the *MiFI Regulations* applies.

- (3) ~~(in *SUP 13*, *SUP 13A* and *SUP 14* in relation to notification of *passport activity*) an *investment firm* with its head office in the *EEA* (or, if it has a registered office, that office) unless, and to the extent that, *MiFID* does not apply to it as a result of article 2 (Exemptions) or article 3 (Optional exemptions) of *MiFID*. [deleted]~~

<i>MiFID ITS 19</i>	<u>the UK version of Commission Implementing Regulation (EU) 2016/824 of 25 May 2016 laying down implementing technical standards with regard to the content and format of the description of the functioning of MTFs and OTFs and the notification to ESMA according to MiFID, which is part of UK law by virtue of the EUWA.</u>
<i>MiFID ITS 2</i>	<u>the UK version of Commission Implementing Regulation (EU) No 2017/1005 of 15 June 2017 laying down implementing technical standards with regard to the format and timing of the communication and publication of the suspension and removal of financial instruments from trading on a regulated market, an MTF or an OTF according to MiFID, which is part of UK law by virtue of the EUWA.</u>
<i>MiFID ITS 3</i>	<u>the UK version of Commission Implementing Regulation (EU) No 2017/1110 of 22 June 2017 laying down implementing technical standards with regard to the standard forms, templates and procedures for the authorisation of data reporting services providers and related notifications according to MiFID, which is part of UK law by virtue of the EUWA.</u>
<i>MiFID ITS 4</i>	<u>the UK version of Commission Implementing Regulation (EU) No 2017/1093 of 20 June laying down implementing technical standards with regard to the format of position reports by investment firms and market operators, which is part of UK law by virtue of the EUWA.</u>
<i>MiFID ITS 4A</i>	<u>the UK version of Commission Implementing Regulation (EU) No [xxxx/xxx] laying down implementing technical standards with regard to standard forms, templates and procedures for the transmission of information in accordance with MiFID, which is part of UK law by virtue of the EUWA.</u>
<i>MiFID ITS 5</i>	<u>the UK version of Commission Implementing Regulation (EU) No 2017/953 of 6 June 2017 laying down implementing technical standards with regard to the format and the timing of position reports by investment firms and market operators of trading venues according to MiFID of the European Parliament and of the Council on markets</u>

	in financial instruments, <u>which is part of UK law by virtue of the EUWA.</u>
<i>MiFID/MiFIR requirements</i>	any of the requirements applicable to an <i>RIE</i> or an applicant to become an <i>RIE</i> imposed by <i>MiFIR</i> and any <u>formerly</u> directly applicable regulation made under <i>MiFID</i> or <u>EU MiFIR, which is an onshored regulation.</u>
<i>MiFID Org Regulation</i>	<u>the UK version of</u> Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing <i>MiFID</i> 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, <u>which is part of UK law by virtue of the EUWA.</u>
<i>MiFID RTS 1</i>	<u>the UK version of</u> Commission Delegated Regulation (EU) 2017/587 of 14 July 2016 supplementing <i>MiFIR</i> with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments and the obligation for investment firms to execute transactions in certain shares on a trading venue or a systematic internaliser, <u>which is part of UK law by virtue of the EUWA.</u>
<i>MiFID RTS 2</i>	<u>the UK version of</u> Commission Delegated Regulation (EU) No 2017/583 of 14 July 2016 supplementing <i>MiFIR</i> with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives, <u>which is part of UK law by virtue of the EUWA.</u>
<i>MiFID RTS 3</i>	<u>the UK version of</u> Commission Delegated Regulation (EU) No 2017/577 of 13 June 2016 supplementing <i>MiFIR</i> with regard to regulatory technical standards on the volume cap mechanism and the provision of information for the purposes of transparency and other calculations, <u>which is part of UK law by virtue of the EUWA.</u>
<i>MiFID RTS 3A</i>	<u>the UK version of</u> Commission Delegated Regulation (EU) No 2017/1018 of 29 June 2016 supplementing <i>MiFID</i> with regard to regulatory technical standards specifying information to be notified by investment firms, market operators and credit institutions, <u>which is part of UK law by virtue of the EUWA.</u>
<i>MiFID RTS 6</i>	<u>the UK version of</u> Commission Delegated Regulation (EU) No 2017/589 of 19 July 2016 supplementing <i>MiFID</i> with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading, providing direct electronic access and acting as general clearing members, <u>which is part of UK law by virtue of the EUWA.</u>

- MiFID RTS 7* the UK version of Commission Delegated Regulation (EU) No 2017/584 of 14 July 2016 supplementing *MiFID* with regard to regulatory technical standards specifying organisational requirements of regulated markets, multilateral trading facilities and organised trading facilities enabling or allowing algorithmic trading through their systems, which is part of UK law by virtue of the *EUWA*.
- MiFID RTS 8* the UK version of Commission Delegated Regulation (EU) 2017/578 of 13 June 2016 supplementing *MiFID* with regard to regulatory technical standards specifying the requirements on market making agreements and schemes, which is part of UK law by virtue of the *EUWA*.
- MiFID RTS 9* the UK version of Commission Delegated Regulation (EU) No 2017/566 of 18 May 2016 supplementing *MiFID* with regard to regulatory technical standards on the ratio of unexecuted orders to transactions, which is part of UK law by virtue of the *EUWA*.
- MiFID RTS 10* the UK version of Commission Delegated Regulation (EU) 2017/573 of 6 June 2016 supplementing *MiFID* with regard to regulatory technical standards on requirements to ensure fair and non-discriminatory co-location and fee structures, which is part of UK law by virtue of the *EUWA*.
- MiFID RTS 11* the UK version of Commission Delegated Regulation (EU) 2017/588 of 14 July 2016 supplementing *MiFID* with regard to regulatory technical standards on the tick size regime for shares, depositary receipts and exchange traded funds, which is part of UK law by virtue of the *EUWA*.
- MiFID RTS 12* the UK version of Commission Delegated Regulation (EU) No 2017/570 of 26 May 2016 supplementing *MiFID* with regard to regulatory technical standards on the determination of a material market in terms of liquidity relating to notifications of a temporary halt in trading, which is part of UK law by virtue of the *EUWA*.
- MiFID RTS 13* the UK version of Commission Delegated Regulation (EU) No 2017/571 of 2 June 2016 supplementing *MiFID* with regard to regulatory technical standards on the authorisation, organisational requirements and the publication of transactions for data reporting services providers, which is part of UK law by virtue of the *EUWA*.
- MiFID RTS 14* the UK version of Commission Delegated Regulation (EU) No 2017/572 of 2 June 2016 supplementing *MiFIR* with regard to regulatory technical standards on the specification of the offering of pre-trade and post-trade data and the level of disaggregation, which is part of UK law by virtue of the *EUWA*.
- MiFID RTS 17* the UK version of Commission Delegated Regulation (EU) No 2017/568 of 24 May 2016 supplementing *MiFID* with regard to regulatory technical standards for the admission of financial

instruments to trading on regulated markets, which is part of UK law by virtue of the EUWA.

- MiFID RTS 18* the UK version of Commission Delegated Regulation (EU) No 2017/569 of 24 May 2016 supplementing *MiFID* with regard to regulatory technical standards for the suspension and removal of financial instruments from trading, which is part of UK law by virtue of the EUWA.
- MiFID RTS 21* the UK version of Commission Delegated Regulation (EU) No 2017/591 of 1 December 2016 supplementing *MiFID* with regard to regulatory technical standards for the application of position limits to commodity derivatives, which is part of UK law by virtue of the EUWA.
- MiFID RTS 22* the UK version of Commission Delegated Regulation (EU) 2017/590 of 28 July 2016 supplementing *MiFIR* with regard to regulatory technical standards for the reporting of transactions to competent authorities, which is part of UK law by virtue of the EUWA.
- MiFID RTS 23* the UK version of Commission Delegated Regulation (EU) No 2017/585 of 14 July 2016 supplementing *MiFIR* with regard to regulatory technical standards for the data standards and formats for financial instrument reference data and technical measures in relation to arrangements to be made by the European Securities and Markets Authority and competent authorities, which is part of UK law by virtue of the EUWA.
- MiFID RTS 25* the UK version of Commission Delegated Regulation (EU) 2017/574 of 7 June 2016 supplementing *MiFID* with regard to regulatory technical standards for the level of accuracy of business clocks, which is part of UK law by virtue of the EUWA.
- MiFID RTS 26* the UK version of Commission Delegated Regulation (EU) 2017/582 of 29 June 2016 supplementing *MiFIR* with regard to regulatory technical standards specifying the obligation to clear derivatives traded on regulated markets and timing of acceptance for clearing, which is part of UK law by virtue of the EUWA.
- MiFID RTS 27* the UK version of Commission Delegated Regulation (EU) 2017/575 of 8 June 2016 supplementing *MiFID* with regard to regulatory technical standards for the data to be provided by execution venues on the quality of execution of transactions, which is part of UK law by virtue of the EUWA.
- MiFID RTS 28* the UK version of Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing *MiFID* with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution, which is part of UK law by virtue of the EUWA.

<i>MiFIR</i>	<u>the UK version of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, which is part of UK law by virtue of the EUWA.</u>
<i>MiFIR Delegated Regulation</i>	<u>the UK version of Commission Delegated Regulation (EU) 2017/567 of 18 May 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions, which is part of UK law by virtue of the EUWA.</u>
<i>MiFIR indirect clearing RTS</i>	<u>the UK version of Commission Delegated Regulation (EU) 2017/2154 of 22 September 2017 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements, which is part of UK law by virtue of the EUWA.</u>
<i>mixed-activity holding company</i>	has the meaning given to the definition of “mixed activity holding company” in article 4(1)(22) of the EU CRR <u>UK CRR</u> .
<i>mixed financial holding company</i>	in accordance with Article 2(15) of the Financial Groups Directive (Definitions)) a <i>parent undertaking</i> , other than a <i>regulated entity</i> , which meets the following conditions: <ul style="list-style-type: none"> (a) it, together with its <i>subsidiary undertakings</i>, at least one of which is an EEA <u>UK</u> <i>regulated entity</i>, and other entities, constitutes a <i>financial conglomerate</i>; (b) it has been notified by its <i>coordinator</i> that its group is a <i>financial conglomerate</i> in accordance with Article 4(2) of the Financial Groups Directive <u>Regulation 1(2) of the Financial Groups Directive Regulations</u>; and (c) it has not been notified that its coordinator and other relevant competent authorities have <u>has</u> agreed not to treat the group as a <i>financial conglomerate</i> in accordance with Article 3(3) or Article 3(3a) of the Financial Groups Directive <u>where such group, in terms of the tests in GENPRU 3 Annex 4:</u> <ul style="list-style-type: none"> (i) <u>does not meet Threshold Test 2 but meets Threshold Test 3; or</u> (ii) <u>meets Threshold Test 2 but not Threshold Test 3.</u>
<i>Money Market Funds Regulation</i>	<u>the UK version of Regulation (EU) No 2017/1131 of the European Parliament and the Council of 14 June 2017 on money market funds, which is part of UK law by virtue of the EUWA.</u>

<i>Motor Insurers' Information Centre</i>	the information centre appointed to meet the United Kingdom's obligations under the <u>UK provisions</u> which implemented article 23 of the <i>Consolidated Motor Insurance Directive</i> (Information Centres).
<i>multilateral system</i>	any system or facility in which multiple third-party buying and selling trading interests in <i>financial instruments</i> are able to interact in the system. [Note: article 4(1)(19) <u>2(1)(11)</u> of MiFID <u>MiFIR</u>]
<i>multilateral trading facility</i>	(in accordance with article 3(1) of the <i>Regulated Activities Order</i>): (a) a <u>UK</u> multilateral trading facility (within the meaning of article 4(1)(22) of MiFID <u>2(1)(14A)</u> of <u>MiFIR</u>) operated by an <i>investment firm</i> , a <i>credit institution</i> or a <i>market operator</i> ; or (b) a facility which: (i) is operated by an investment firm <u>investment firm</u> , a credit institution <u>qualifying credit institution</u> or a market operator <u>market operator</u> which does not have a whose Home State <u>home State is not the United Kingdom</u> ; and (ii) if its operator had a <u>operator's Home State</u> <u>home State</u> was the <u>United Kingdom</u> , would be a multilateral trading facility <u>UK multilateral trading facility</u> within the meaning of article 4(1)(22) of MiFID <u>2(1)(14A)</u> of <u>MiFIR</u> . [Note: article 4(1)(22) of MiFID <u>2(1)(14A)</u> of <u>MiFIR</u>]
<i>mutual society share</i>	a <i>share</i> , excluding a deferred share issued by a <i>credit union</i> , which: (a) meets the requirements for common equity Tier 1 capital instruments under article 28 or 29; and (b) is issued by an institution which is of a type listed in article 27; in each case of Regulation of the European Parliament and the Council on prudential requirements for credit institutions and investment firms (Regulation (EU) No 575/2013) and amending Regulation (EU) No 648/2012 <u>the UK CRR</u> .
<i>near cash</i>	<i>money</i> , <i>deposits</i> or <i>investments</i> which, in each case, fall within any of the following: (a) <i>money</i> which is deposited with an <i>eligible institution</i> or an <i>approved bank</i> in:

- (i) a current account; or
- (ii) a *deposit* account, if the *money* can be withdrawn immediately and without payment of a penalty exceeding seven days' interest calculated at ordinary commercial rates;
- (b) certificates of *deposit* issued by an *eligible institution* or an *approved bank* if immediately redeemable at the option of the holder;
- (c) *government and public securities*, if redeemable at the option of the holder or bound to be redeemed within two years;
- (d) bills of exchange which are *government and public securities*;
- (e) *deposits* with a *local* authority of a kind which fall within paragraph 9 of Part II of the First Schedule to the Trustee Investments Act 1961, and equivalent *deposits* with any *local* authority in ~~another~~ an EEA State, if the *money* can be withdrawn immediately and without payment of a penalty as described in (a).

netting set

~~(in accordance with Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)* and~~ for the purpose of *BIPRU* 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) a group of transactions with a single counterparty that are subject to a legally enforceable bilateral netting arrangement and for which netting is recognised under *BIPRU* 13.7 (Contractual netting), *BIPRU* 5 (Credit risk mitigation) and, if applicable, *BIPRU* 4.10 (The IRB approach: Credit risk mitigation); each transaction that is not subject to a legally enforceable bilateral netting arrangement, which is recognised under *BIPRU* 13.7 must be interpreted as its own *netting set* for the purpose of *BIPRU* 13. Under the method set out at *BIPRU* 13.6, all *netting sets* with a single counterparty may be treated as a single *netting set* if negative simulated market values of the individual sets are set to zero in the estimation of *expected exposure (EE)*.

[Note: ~~*BCD*~~, Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)* and Annex III, Part 1, point 5 of the *Banking Consolidation Directive*]

non-core concentration risk group counterparty

~~(in accordance with Article 113(4)(c) of the *Banking Consolidation Directive*)~~ has the meaning in *BIPRU* 10.9A.4R (Definition of non-core concentration risk group counterparty), which is in summary (in relation to a *firm*) each counterparty which is its *parent undertaking*, its *subsidiary undertaking* or a *subsidiary undertaking* of its *parent undertaking*, provided that (in each case) both the counterparty and

the *firm* satisfy the conditions in *BIPRU* 10.9A.4R (Definition of non-core concentration risk group counterparty).

[Note: article 113(4)(c) of the *Banking Consolidation Directive*]

non-core large exposures group

(in relation to a *firm*) all counterparties which:

- (1) are listed in the *firm's non-core large exposures group permission*;
- (2) satisfy the conditions in *IFPRU* 8.2.6R (Intra-group exposures: non-core large exposures group); and
- (3) for which *exposures* are exempted, under article 400(2)(c) of the ~~*EU-CRR UK CRR*~~ (Exemptions), from the application of article 395(1) of the ~~*EU-CRR UK CRR*~~ (Limits to large exposures).

non-core large exposures group permission

a permission referred to in *IFPRU* 8.2.6R given by the *FCA* for the purpose of article 400(2)(c) of the ~~*EU-CRR UK CRR*~~ (Large exposures: exemptions).

non-directive firm

- (1) (in *SUP* 11 (Controllers and close links) and *SUP* 16 (Reporting requirements)) (in accordance with the Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009 (SI 2009/774)) a *UK domestic firm* other than:
 - (a) a ~~*credit institution authorised under the *Banking Consolidation Directive* that has permission under Part 4A of the Act to carry on the regulated activity of accepting deposits*~~;
 - (b) an ~~*investment firm authorised under *MIFID* that has permission under Part 4A of the Act to carry on regulated activities relating to investment services and/or activities in the UK*~~;
 - (c) a ~~*management company as defined in article 2(1)(b) of the *UCITS Directive*, authorised under that directive section 237 of the Act which is authorised by the *FCA**~~;
 - (d) a *Solvency II firm*.

...

~~*non-EEA non-UK bank*~~

a *bank* which is a *body corporate or partnership* formed under the law of any country or territory outside the ~~*EEA UK*~~.

~~*non-EEA non-UK feeder AIF*~~

a *UK AIF* or an ~~*EEA AIF*~~ that is a *feeder AIF*, the *master AIF* of which is a ~~*non-EEA UK AIF*~~ or is managed by a ~~*non-EEA UK AIFM*~~.

- ~~non-EEA non-UK~~
~~sub-group~~
- (1) (in *GENPRU* (except *GENPRU* 3) and *BIPRU* (except *BIPRU* 12)) a group of *undertakings* identified as a ~~non-EEA non-UK sub-group~~ in *BIPRU* 8.3.1R (Main consolidation rule for ~~non-EEA sub-groups non-UK sub-groups~~); however where the provision in question refers to a ~~non-EEA sub-group~~ in another *EEA State* it means a group of *undertakings* identified in Article 73(2) of the *Banking Consolidation Directive* (Non-EEA subgroups) required to be supervised on a consolidated basis under Article 73(2) of the *Banking Consolidation Directive* by a competent authority in that *EEA State*.
- (2) (except in (1)) a group of *undertakings* identified in article 22 of the *EU CRR* (Sub-consolidation in cases of entities in third countries).
- non-financial entity*
- (as defined in article 2(1) of *MiFID RTS 21*) a natural or legal ~~person~~
person other than:
- (a) ~~an~~ a *MiFID investment firm* authorised in accordance with ~~MIFID~~ as such by means of a *Part 4A permission* or an *investment firm* authorised in accordance with *MIFID*;
- (b) a credit institution authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or a *CRD credit institution*;
- (c) an insurance undertaking authorised as such by means of a *Part 4A permission* or in accordance with Directive 73/239/EEC;
- (d) an assurance undertaking authorised as such by means of a *Part 4A permission* or in accordance with Directive 2002/83/EC of the European Parliament and of the Council;
- (e) a reinsurance undertaking authorised as such by means of a *Part 4A permission* or in accordance with Directive 2005/68/EC of the European Parliament and of the Council;
- (f) a *UCITS* and, where relevant, its *management company*, authorised as such by means of a *Part 4A permission* or in accordance with the *UCITS Directive*;
- (g) an institution for occupational retirement provision within the meaning of article 6(a) of Directive 2003/41/EC of the European Parliament and of the Council or an *occupational pension scheme*;
- (h) an *alternative investment fund* managed by *AIFMs* authorised or registered in accordance with the *AIFMD* or authorised as such by means of a *Part 4A permission* or registered as such pursuant to the *Alternative Fund Managers Regulations 2013*;

- (i) a *CCP* authorised in accordance with EMIR Regulation (EU) No 909/2014 of the European Parliament and of the Council or recognised as such by means of a recognition order under Part XVIII of the Act;
- (j) a central securities depository authorised in accordance with CDSR Regulation (EU) No 909/2014 of the European Parliament and of the Council or recognised as such by means of a recognition order under Part XVIII of the Act.

A third-country entity is a non-financial entity if it would not require authorisation under any of the aforementioned legislation if it was based in the United Kingdom and subject to UK law.

[Note: article 2 of *MiFID RTS 21*]

non-listed company (~~in accordance with article 4(1)(ac) of AIFMD~~) a *company* which has its registered office in the ~~EEA~~ UK and the *shares* of which are not admitted to trading on a ~~regulated market~~ UK regulated market, as defined in article 2(1)(13A) of the MiFI Regulations.

[Note: article 4(1)(ac) of *AIFMD*]

normally based (in *ICOB*S) (in relation to a *vehicle*):

- (a) the territory of the ~~EEA State~~ State of which the *vehicle* bears a registration plate; or
- (b) in cases where no registration is required for the type of *vehicle*, but the *vehicle* bears an insurance plate or a distinguishing sign analogous to a registration plate, the territory of the ~~EEA State~~ State in which the insurance plate or the sign is issued; or
- (c) in cases where neither registration plate nor insurance plate nor distinguishing sign is required for the type of *vehicle*, the territory of the ~~EEA State~~ State in which the keeper of the vehicle is permanently resident.

ODR Regulation the UK version of Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC, which is part of UK law by virtue of the EUWA.

oil market participant a *firm*:

- (a) whose permission:

- (i) includes a *requirement* that the *firm* must not carry on any *designated investment business* other than oil market activity; and
- (ii) does not include a requirement that it comply with *IPRU(INV) 5* (*Investment management firms*) or *13* (*Personal investment firms*); and
- (b) which is not an *authorised professional firm, bank, BIPRU firm*, (unless it is an *exempt BIPRU commodities firm*), *IFPRU investment firm* (unless it is an *exempt IFPRU commodities firm*), *building society, credit union, friendly society, ICVC, insurer, MiFID investment firm* (unless it is an *exempt BIPRU commodities firm* or *exempt IFPRU commodities firm*), *media firm, service company, insurance intermediary, home finance administrator, mortgage intermediary, home finance provider, incoming EEA firm* (without a *top up permission*), or *incoming Treaty firm* (without a *top up permission*) or *regulated benchmark administrator*.
- on-exchange* (a) (in relation to a transaction in the *United Kingdom*) effected by means of the *facilities* of, or governed by the *rules* of, ~~an RIE~~ or a *regulated market*.
- ...
- one-sided credit valuation adjustment* (~~in accordance with Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)~~ and for the purposes of *BIPRU*) a *credit valuation adjustment* that reflects the market value of the credit risk of the counterparty to a *firm*, but does not reflect the market value of the credit risk of the *firm* to the counterparty.
- [Note: Part 1 of Annex III of the *Banking Consolidation Directive* (Definitions)]
- operational risk* (1) (in *COLL* and *FUND*) the risk of loss for a *UCITS* or *AIF* resulting from inadequate internal processes and failures in relation to the people and systems of the *management company* or *AIFM* or from external events, and it includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the *fund*.
- (2) (in *GENPRU* (except *GENPRU 3* (Cross sector groups) and *BIPRU* (except *BIPRU 12* (Liquidity Standards))) ~~in accordance with Article 4(22) of the *Banking Consolidation Directive*~~) the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk.

[Note: article 4(22) of the *Banking Consolidation Directive*]

- (3) (except in (1) and (2)) has the meaning in article 4(1)(52) of the *EU-CRR UK CRR*.
- option*
- (1) the *investment*, specified in article 83 of the *Regulated Activities Order* (Options), which is in summary an option to acquire or dispose of:
- ...
- (2) (in COLL) in addition and to the extent it does not fall within (1), an investment which would have been within the definition of “option” in the FCA Handbook immediately before exit day.
- organised trading facility*
- (in accordance with article 3(1) of the *Regulated Activities Order*):
- (a) ~~an a UK~~ organised trading facility (within the meaning of article ~~4(1)(23) of MiFID 2~~(1)(15A) of *MiFIR*) operated by an ~~investment firm~~ investment firm, a ~~credit institution~~ qualifying credit institution or a ~~market operator~~ market operator; or
- (b) a facility which:
- (i) is operated by an ~~investment firm~~ investment firm, a ~~credit institution~~ qualifying credit institution or a ~~market operator~~ market operator ~~which does not have a whose Home State~~ home State is not the United Kingdom; and
- (ii) if its ~~operator had a~~ operator’s Home State ~~was the United Kingdom~~, would be an ~~organised trading facility~~ UK organised trading facility within the meaning of article ~~4(1)(23) of MiFID 2~~(1)(15A) of *MiFIR*.

[Note: article ~~4(1)(23) of MiFID 2~~(1)(15A) of *MiFIR*]

- originator*
- (1) (in *GENPRU* (except *GENPRU* 3), *MIPRU* and *BIPRU* (except *BIPRU* 12)) ~~(in accordance with Article 4(41) of the Banking Consolidation Directive (Definitions) and in relation to a securitisation within the meaning of paragraph (2) of the definition of securitisation)~~ either of the following:
- (a) an entity which, either itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential

obligations of the debtor or potential debtor giving rise to the *exposures* being *securitised*; or

- (b) an entity which purchases a third party's *exposures* onto its balance sheet and then *securitises* them.

[Note: article 4(41) of the Banking Consolidation Directive (Definitions)]

- (2) (except in (1)) has the meaning in article 4(1)(13) of the ~~EU CRR~~ UK CRR.

OTC derivative transaction

a derivative financial instrument of a type listed on Annex II to the UK CRR that is traded over the counter.

overseas firm

- (1) (in relation to *MAR 5* and *MAR 5A*) a *firm* which has its registered office (or, if it has no registered office, its head office) outside the *United Kingdom* ~~excluding an incoming EEA firm~~.
- (2) (in any other case) a *firm* which has its registered office (or, if it has no registered office, its head office) outside the *United Kingdom*.

overseas long-term insurer

an *insurance undertaking* which is not an *authorised person* and which:

- (a) ~~has its head office in an EEA State other than the United Kingdom, and is entitled to carry on long-term insurance business in that EEA State; or~~
- (b) ~~has a branch or agency in an EEA State other than the United Kingdom and is entitled to carry on long-term insurance business in that EEA State; or~~
- (c) is authorised to effect or carry on *long-term insurance business* in the Bailiwick of Jersey, the Bailiwick of Guernsey, the Isle of Man, the Commonwealth of Pennsylvania or the State of Iowa;

[for the purposes of (a) and (b), Gibraltar is to be regarded as if it were an ~~EEA State~~.]

overseas person

(in accordance with article 3(1) of the *Regulated Activities Order (Interpretation)*) a *person* who:

- (a) carries on any of the following *regulated activities*:

...

- (xa) *managing a UK UCITS*;

	(xb)	acting as trustee or depositary of a <u>UK UCITS</u> ;
	...	
	...	
own funds	...	
	(2A)	(in <i>IPRU(INV)</i> 11) has the meaning in article 4(1)(118) of the <i>EU-CRR</i> <u><i>UK CRR</i></u> .
	...	
	(5)	(except in (1) to (4)) has the meaning in article 4(1)(118) of the <u><i>UK CRR</i></u> .
own funds instruments		has the meaning in article 4(1)(119) of the <i>EU-CRR</i> <u><i>UK CRR</i></u> .
own funds requirements		as defined in article 92 (Own funds requirements) of the <i>EU-CRR</i> <u><i>UK CRR</i></u> .
parent financial holding company in a Member State <u>the UK</u>	(1)	(in <i>GENPRU</i> (except <i>GENPRU</i> 3 and <i>BIPRU</i> (except <i>BIPRU</i> 12)) (in accordance with Article 4(15) of the <i>Banking Consolidation Directive</i> (Definitions) and Article 3 of the <i>Capital Adequacy Directive</i> (Definitions))) a financial holding company which is not itself a subsidiary undertaking of an institution authorised in the same EEA State <u><i>UK</i></u> , or of a financial holding company or mixed financial holding company established in the same EEA State <u><i>UK</i></u> .
	(2)	(except in (1)) has the meaning in article 4(1)(30) of the <i>EU CRR</i> . <u>[deleted]</u>
parent institution in a Member State <u>the UK</u>	(1)	(in <i>GENPRU</i> (except <i>GENPRU</i> 3 and <i>BIPRU</i> (except <i>BIPRU</i> 12)) (in accordance with Article 4(14) of the <i>Banking Consolidation Directive</i> and Article 3 of the <i>Capital Adequacy Directive</i> (Definitions))) an institution which has an institution or a financial institution as a subsidiary undertaking or which holds a participation in such an institution, and which is not itself a subsidiary undertaking of another institution authorised in the same EEA State <u><i>UK</i></u> , or of a financial holding company or mixed financial holding company established in the same EEA State <u><i>UK</i></u> .
	(2)	(except in (1)) has the meaning in article 4(1)(28) of the <i>EU CRR</i> . <u>[deleted]</u>
parent mixed financial holding company in a	(1)	(in <i>GENPRU</i> (except <i>GENPRU</i> 3 and <i>BIPRU</i> (except <i>BIPRU</i> 12)) in accordance with Article 4(15a) of the <i>Banking Consolidation Directive</i> (Definitions))) a mixed financial

- ~~Member State the UK~~
- holding company which is not itself a *subsidiary undertaking* of an *institution* authorised in the ~~same EEA State UK~~, or of a *financial holding company* or *mixed financial holding company* established in the ~~same EEA State UK~~.
- (2) ~~(except in (1)) has the meaning in article 4(1)(32) of the EU CRR. [deleted]~~
- parent undertaking*
- (1) (in accordance with section 420 of the *Act* (Parent and subsidiary undertaking) and section 1162 of the Companies Act 2006 (Parent and subsidiary undertakings)):
- (a) ...
- ...
- (viii) (except in *REC* or for the purposes of *rules* in *GENPRU* and *INSPRU* as they apply to *members* of the *Society* of Lloyd's or to the *Society* or *managing agents* in respect of *members*) it is incorporated in or formed under the law of ~~another~~ an EEA State and is a parent undertaking within the meaning of any rule of law in that State for purposes connected with implementation of the Seventh Company Law Directive;
- ...
- (3) (for the purposes of *GENPRU* 3, *BIPRU* 12, *IFPRU*, *SYSC* 19A (*IFPRU* Remuneration Code) and *SYSC* 19D (Dual-regulated firms Remuneration Code)) has the meaning in article 4(1)(15) of the ~~EU CRR UK CRR~~ but so that ~~(in accordance with article 2(9) of the *Financial Groups Directive*)~~ article 4(1)(15)(b) applies for the purpose of *GENPRU* 3.
- [Note: article 2(9) of the *Financial Groups Directive*]
- participant firm*
- (1) a *firm* (including a *TP firm*) other than:
- (a) ~~an *incoming EEA firm* to the extent prescribed for the purposes of section 213(10) of the *Act* (The compensation scheme) under regulation 2 of the *Electing Participants Regulations* (Persons not to be regarded as relevant persons), unless it has *top-up cover*; [deleted]~~
- ~~[Note: This covers certain *incoming EEA firms*: see *COMP* 14.1 and 14.2.]~~
- ...

- (f) ~~a UCITS qualifier; [deleted]~~
- (g) ~~in respect of the carrying on of *bidding in emissions auctions*, a firm that is exempt from *MiFID* under article 2(4)(j); [deleted]~~
- (h) ~~an AIFM qualifier; [deleted]~~
- ...
- (l) a TP AIFM qualifier;
- (m) a TP UCITS qualifier;
- (n) a TP firm that under section 213(9A) or section 213(9A) [bis] of the Act is not to be regarded as a relevant person;

(2) *a recognised investment exchange but only insofar as it is operating a multilateral trading facility or operating an organised trading facility;*

(3) (except in FEES 6) a pre-exit incoming EEA firm but only:

- (a) in relation to acts or omissions before *exit day* that give rise to a *claim* against it; and
- (b) (where necessary for it to have obtained FSCS cover) that had, before *exit day*:
 - (i) notified the FSCS in writing that it had elected to participate in the *compensation scheme* under SI 2001/1783 (as in force and as from time to time amended before *exit day*); and
 - (ii) the FSCS had notified it that its election had been accepted.

participation

(1) (for the purposes of *GENPRU* (except *GENPRU* 3) and for the purposes of *BIPRU* (except *BIPRU* 12) as they apply on a consolidated basis):

- (a) a participating interest may be defined according to:
 - (i) section 421A of the *Act* where applicable; or
 - (ii) paragraph 11(1) of Schedule 10 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) where applicable; or

- (iii) paragraph 8 of Schedule 7 to the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 (SI 2008/409) where applicable; or
 - (iv) paragraph 8 of Schedule 4 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (SI 2008/1913) where applicable; or
 - (v) paragraph 8 of Schedule 5 to the Small Limited Liability Partnerships (Accounts) Regulations 2008 (SI 2008/1912) where applicable; or
- (b) (otherwise) the direct or indirect ownership of 20% or more of the voting rights or capital of an *undertaking*; but excluding the interest of a *parent undertaking* in its *subsidiary undertaking*.

- (2) (except in (1) has the meaning in article 4(1)(35) of the ~~EU~~ CRR UK CRR.

payment institution an authorised payment institution, ~~an EEA authorised payment institution~~ or a small payment institution.

[Note: articles 4(4) and 32(3) of the *Payment Services Directive*]

payment service ...

- (b) The following activities do not constitute *payment services*:

...

- (xi) services based on specific *payment instruments* that can be used only in a limited way and meet one of the following conditions:
 - (A) allow the holder to acquire goods or services only in the issuer's premises; or
 - (B) are issued by a professional issuer and allow the holder to acquire goods or services only within a limited network of service providers which have direct commercial agreements with the issuer; or
 - (C) may be used only to acquire a very limited range of goods or services; or
 - (D) are valid only in a ~~single EEA state~~ the UK, are provided at the request of an undertaking or a public sector entity, and are regulated by a

national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers which have a commercial agreement with the issuer.

...

...

payment service provider

- (1) (except in *DISP*) (in accordance with regulation 2(1) of the *Payment Services Regulations*) any of the following *persons* when they carry out a *payment service*:
- (a) an *authorised payment institution*;
 - (b) a *small payment institution*;
 - (ba) a *registered account information service provider*;
 - (c) ~~an *EEA authorised payment institution*; [deleted]~~
 - (d) a *credit institution*;
 - (e) an *electronic money issuer*;
 - (f) the Post Office Limited;
 - (g) the Bank of England, ~~the European Central Bank and the national central banks of *EEA States* other than the *United Kingdom*~~, other than when acting in ~~their~~ its capacity as a monetary authority or carrying out other functions of a public nature; and
 - (h) government departments and local authorities, other than when carrying out functions of a public nature.

...

PD Regulation

the UK version of the Prospectus Directive Regulation (No 2004/809/EC), which is part of UK law by virtue of the EUWA.

peak exposure

~~(in accordance with Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)*)~~ and for the purpose of BIPRU 13 (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) a high percentile of the distribution of exposures at any particular future date before the maturity date of the longest transaction in the *netting set*.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)*]

- periodic statement* a report which a *firm* is required to provide to a *client* pursuant to:
- (a) *COBS 16.3 (Periodic reporting)* where the *firm* is carrying on *designated investment business* other than *MiFID*, *equivalent third country* or *optional exemption business*;
 - (b) article 60(1) of the *MiFID Org Regulation* where the *firm* is carrying on *MiFID business*;
 - (c) *GEN 2.2.22AR* and *COBS 16A.4.1 EU UK* where the *firm* is carrying on the *equivalent business of a third country investment firm*;
 - (d) *COBS 16A.1.2R* and *COBS 16A.4.1 EU UK* where the *firm* is carrying on *optional exemption business*.

[Note: see *COBS 16A.4.1 EU UK* where article 60(1) of the *MiFID Org Regulation* is reproduced]-

permanent interest bearing shares any shares of a class defined as deferred shares for the purposes of section 119 of the Building Societies Act 1986 which are issued as permanent interest-bearing shares and on terms which qualify them as own funds for the purposes of the ~~*EU CRR*~~ *UK CRR*.

- permission* (1) permission to carry on *regulated activities*; that is, any of the following:
- (a) a *Part 4A permission*;
 - (b) ~~the permission that an *incoming EEA firm* has, under paragraph 15(1) or paragraph 15A(1), (3) or (4) of Schedule 3 to the *Act (EEA Passport Rights)*, on qualifying for *authorisation* under paragraph 12 of that Schedule [deleted];~~
 - (c) ~~the permission that an *incoming Treaty firm* has, under paragraph 4(1) of Schedule 4 to the *Act (Treaty Rights)*, on qualifying for *authorisation* under paragraph 2 of that Schedule [deleted];~~
 - (d) ~~the permission that a *UCITS qualifier* has, under paragraph 2(1) of Schedule 5 to the *Act (Persons concerned in Collective Investment Schemes)* [deleted];~~
 - (e) the permission that an *ICVC* has, under paragraph 2(2) of Schedule 5 to the *Act (Persons concerned in Collective Investment Schemes)*;
 - (f) the permission that the Society of Lloyd's has, under section 315(2) of the *Act (The Society: authorisation*

and permission), which is to be treated as a *Part IV permission* for the purposes of *Part 4A* of the Act (Permission to carry on regulated activities) in accordance with section 315(3) of the Act.

- (2) the authorisation that a *TP AIFM qualifier* has under regulation 78B of the *AIFMD UK regulation*.

personal investment firm

a firm whose *permitted activities* include *designated investment business*, which is not an *authorised professional firm*, bank, *IFPRU investment firm*, *BIPRU firm*, *building society*, *collective portfolio management firm*, *credit union*, *energy market participant*, *ICVC*, *insurer*, *media firm*, *oil market participant*; or *service company*, ~~*incoming EEA firm (without a top-up permission)*, *incoming Treaty firm (without a top-up permission)* or *UCITS qualifier (without a top-up permission)*~~; whose *permission* does not include a *requirement* that it comply with *IPRU(INV) 3* (Securities and futures firms) or 5 (Investment management firms), and which is within (a), (b) or (c):

...

PII capital requirement

- (1) (in *IPRU(INV) 11*) an amount of *own funds* that a *collective portfolio management firm* must hold in relation to its professional indemnity insurance policy to cover any defined excess (as set out in article 15 of the *AIFMD level 2 regulation* (professional indemnity insurance) (as replicated in *IPRU(INV) 11.3.15EUUK*)) and exclusions to that policy (see *IPRU(INV) 11.3.16R* (Professional negligence)).

[deleted]

position

- (1) (in accordance *BIPRU 1.2.4R* (Definition of the trading book: Positions)) includes proprietary positions and positions arising from client servicing and market making.
- (2) (in *IFPRU*) has the meaning which it has, or is used, in the ~~*EU CRR*~~ *UK CRR*.

PRIIPs Regulation

the *UK version* of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), which is part of *UK law* by virtue of the *EUWA*. <http://data.europa.eu/eli/reg/2014/1286/oj>

probability of default

~~(in accordance with Article 4(25) of the *Banking Consolidation Directive* (Definitions) and for the purpose of *BIPRU*)~~ the probability of default of a counterparty over a one year period; for the purposes of the *IRB approach*, default has the meaning in the definition of *default*.

[Note: article 4(25) of the *Banking Consolidation Directive* (Definitions)]

<i>professional negligence capital requirement</i>	<p>(1) (in <i>IPRU(INV)</i> 11) an amount of <i>own funds</i> that a <i>collective portfolio management firm</i> must hold professional liability risks as set out in article 14 of the <i>AIFMD level 2 regulation</i> (additional own funds) (as replicated in <i>IPRU(INV)</i> 11.3.14EU<u>UK</u>) (Professional negligence).</p> <p>[deleted]</p>
<i>prospectus</i>	<p>(1) (in <i>LR</i> and <i>PR</i>, <i>FEES</i> and <i>FUND 3</i> (Requirements for managers of alternative investment funds)) a <i>prospectus</i> required under the <i>prospectus directive</i> <u>the Act</u>.</p> <p>(2) ...</p>
<i>Prospectus Regulation</i>	<p><u>the UK version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the EUWA.</u></p>
<i>Prospectus RTS Regulations</i>	<p>(1) <u>the UK version of Commission Delegated Regulation (EU) No 382/2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus, which is part of UK law by virtue of the EUWA;</u> and</p> <p>(2) <u>the UK version of Commission Delegated Regulation (EU) 2016/301 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for approval and publication of the prospectus and dissemination of advertisements and amending Commission Regulation (EC) No 809/2004, which is part of UK law by virtue of the EUWA.</u></p>
<i>protection buyer</i>	<p>(in <i>BIPRU</i>) (in relation to a credit derivative and in accordance with paragraph 8 of Annex I of the <i>Capital Adequacy Directive</i> (Calculating capital requirements for position risk)) the <i>person</i> who transfers credit risk.</p> <p><u>[Note: paragraph 8 of Annex I of the <i>Capital Adequacy Directive</i> (Calculating capital requirements for position risk)]</u></p>
<i>protection seller</i>	<p>(in <i>BIPRU</i>) (in relation to a credit derivative and in accordance with paragraph 8 of Annex I of the <i>Capital Adequacy Directive</i> (Calculating capital requirements for position risk)) the <i>person</i> who assumes the credit risk.</p> <p><u>[Note: paragraph 8 of Annex I of the <i>Capital Adequacy Directive</i> (Calculating capital requirements for position risk)]</u></p>

- public international body* (1) (in *PR*) (as defined in the *PD Regulation*) a legal entity of public nature established by an international treaty between sovereign States and of which one or more ~~Member~~ sovereign States are members.
- (2) ...
- public sector entity* (~~in accordance with Article 4(18) of the *Banking Consolidation Directive* (Definitions) and~~ for the purposes of *BIPRU*) any of the following:
- (a) non-commercial administrative bodies responsible to central governments, regional governments or local authorities; or
- (b) authorities that exercise the same responsibilities as regional and local authorities; or
- (c) non commercial *undertakings* owned by central governments that have explicit guarantee arrangements; or
- (d) self administered bodies governed by law that are under public supervision.
- [Note: article 4(18) of the *Banking Consolidation Directive* (Definitions)]
- qualified investor* (in *PR*) (a defined in section 86(7) of the *Act*) in relation to an *offer* of *transferable securities*:
- (a) a *person* or entity described in ~~points (1) to (4) of Section I of Annex II to *MiFID*~~ paragraph 3 of Schedule 1 to *MiFIR*, other than a *person* who, before the making of the *offer*, has agreed in writing with the relevant firm (or each of the relevant firms) to be treated as a non-*professional client* in accordance with *MiFID* paragraph 4 of that Schedule; or
- (b) a *person* who has made a request to one or more relevant firms to be treated as a *professional client* in accordance with Section II of Annex II to *MiFID* paragraphs 5 and 6 of that Schedule and has not subsequently, but before the making of the *offer*, agreed in writing with that relevant firm (or each of those relevant firms) to be treated as a non-*professional client* in accordance with ~~the final paragraph of Section I of Annex II to *MiFID* paragraph 4 of that Schedule~~; or
- (c) ~~a *person* who is an *eligible counterparty* in accordance with article 30 of *MiFID* and has not, before the making of the *offer*, agreed in writing with the relevant firm (or each of the relevant firms) to be treated as a non-*professional client* in accordance with the final paragraph of Section I of Annex II of *MiFID*; or~~

a person who:

- (i) is an *eligible counterparty* for the purposes of *COBS* 3.6; and
- (ii) has not, before the making of the *offer*, agreed in writing with the relevant firm (or each of the relevant firms) to be treated as a *non-professional client* in accordance with paragraph 4 of Schedule 1 to *MiFIR*; or

(d) a *person* whom:

...

- (ii) the firm ~~may continue to treat as a *professional client* from 3 January 2018~~ was entitled immediately before *exit day* to continue to treat as a *professional client* by virtue of Section II.2 of Annex II to MiFID.

*qualifying money
market fund*

- (1) (in ~~*COLL, CASS 7*~~ and *BSOCS*) a collective investment undertaking authorised under the *UCITS Directive* or which is subject to supervision and, if applicable, authorised by an authority under the national law of the authorising *Member State*, and which satisfies the following conditions:
 - (a) its primary investment objective must be to maintain the net asset value of the undertaking either constant at par (net of earnings), or at the value of the investors' initial capital plus earnings;
 - (b) it must, with a view to achieving that primary investment objective, invest exclusively in high quality money market instruments with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of no more than 60 days. It may also achieve this objective by investing on an ancillary basis in deposits with credit institutions;
 - (c) it must provide liquidity through same day or next day settlement.
- (2) For the purposes of (1)(b), a money market instrument may be considered to be of high quality if the *AIFM* or *UCITS management company* of the collective investment undertaking performs its own documented assessment of the credit quality of money market instruments that allows it to consider a money market instrument as high quality subject to the conditions below:

- (a) where one or more credit rating agencies registered and supervised by *ESMA* have provided a rating of the instrument, the *AIFM's* or *UCITS management company's* internal assessment must have regard to, inter alia, those credit ratings; and
 - (b) while there can be no mechanistic reliance on such external ratings, a downgrade below the two highest short-term credit ratings by any agency registered and supervised by *ESMA* that has rated the instrument will lead the *AIFM* or *UCITS management company* to undertake a new assessment of the credit quality of the money market instrument to ensure it continues to be of high quality.
- (3) [deleted]
- (4) (in COLL) a collective investment undertaking which is a UCITS scheme or authorised under the UCITS Directive or which is subject to supervision and, if applicable, authorised by either the FCA or an authority under the national law of the authorising Member State, and which satisfies the following conditions:
- (a) its primary investment objective must be to maintain the net asset value of the undertaking either constant at par (net of earnings), or at the value of the investors' initial capital plus earnings;
 - (b) it must, with a view to achieving that primary investment objective, invest exclusively in high quality money market instruments with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of no more than 60 days. It may also achieve this objective by investing on an ancillary basis in deposits with credit institutions;
 - (c) it must provide liquidity through same day or next day settlement.

For the purposes of (b), a money market instrument may be considered to be of high quality if the *AIFM* or *management company* of the collective investment undertaking performs its own documented assessment of the credit quality of money market instruments that allows it to consider a money market instrument as high quality subject to the conditions below:

- (i) where one or more credit rating agencies registered and supervised by the *FCA* or *ESMA* have provided a rating of the instrument, the *AIFM's* or *management*

company's internal assessment must have regard to, inter alia, those credit ratings; and

(ii) while there can be no mechanistic reliance on such external ratings, a downgrade below the two highest short-term credit ratings by any agency registered and supervised by the FCA or ESMA that has rated the instrument will lead the AIFM or UCITS management company to undertake a new assessment of the credit quality of the money market instrument to ensure it continues to be of high quality.

(5) (in CASS 7) a collective investment undertaking which is a UCITS scheme and, if applicable, authorised by the FCA, and which satisfies the following conditions:

(a) its primary investment objective must be to maintain the net asset value of the undertaking either constant at par (net of earnings), or at the value of the investors' initial capital plus earnings;

(b) it must, with a view to achieving that primary investment objective, invest exclusively in high quality money market instruments with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of no more than 60 days. It may also achieve this objective by investing on an ancillary basis in deposits with credit institutions;

(c) it must provide liquidity through same day or next day settlement.

For the purposes of (b), a money market instrument may be considered to be of high quality if the AIFM or management company of the collective investment undertaking performs its own documented assessment of the credit quality of money market instruments that allows it to consider a money market instrument as high quality subject to the conditions below:

(i) For the purposes of (b), a money market instrument may be considered to be of high quality if the AIFM or management company of the collective investment undertaking performs its own documented assessment of the credit quality of money market instruments that allows it to consider a money market instrument as high quality subject to the conditions below; and

(ii) while there can be no mechanistic reliance on such external ratings, a downgrade below the two highest short-term credit ratings by any agency registered and

supervised by the FCA that has rated the instrument will lead the AIFM or management company to undertake a new assessment of the credit quality of the money market instrument to ensure it continues to be of high quality.

[Note: article 1(4) of, and recital 4 to, the *MiFID Delegated Directive*]

rated position

(for the purposes of *MIPRU* and *BIPRU* 9 (Securitisation), ~~in accordance with Part 1 of Annex IX of the *Banking Consolidation Directive* (Securitisation definitions)~~ and in relation to a *securitisation position*) describes a *securitisation position* which has an eligible credit assessment by an *eligible ECAI*.

[Note: Part 1 of Annex IX of the *Banking Consolidation Directive* (Securitisation definitions)]

ratings based method

(for the purposes of *BIPRU* 9 (Securitisation) ~~and in accordance with Part 1 of Annex IX of the *Banking Consolidation Directive* (Securitisation definitions)~~) the method of calculating *risk weighted exposure amounts* for *securitisation positions* set out in *BIPRU* 9.12.10R– *BIPRU* 9.12.19R and *BIPRU* 9.14.2R.

[Note: Part 1 of Annex IX of the *Banking Consolidation Directive* (Securitisation definitions)]

readily realisable security

(except in *COLL* and for the purposes of the definition of *non-readily realisable security*):

- (a) a *government or public security* denominated in the currency of the country of its *issuer*;
- (b) any other *security* which is:
 - (i) admitted to official listing on an exchange in ~~an EEA State~~ the UK; or
 - (ii) regularly traded on or under the rules of such an exchange; or
 - (iii) regularly traded on or under the rules of a *recognised investment exchange* or (except in relation to *unsolicited real time financial promotions*) *designated investment exchange*;
- (c) a newly issued *security* which can reasonably be expected to fall within (b) when it begins to be traded.

(in *COLL* and for the purposes of the definition of *non-readily realisable security*):

- (a) a government or public security denominated in the currency of the country of its *issuer*;
- (b) any other *security* which is:
 - (i) admitted to official listing on an exchange in the UK or an EEA State; or
 - (ii) regularly traded on or under the rules of such an exchange; or
 - (iii) regularly traded on or under the rules of a recognised investment exchange or (except in relation to unsolicited real time financial promotions) designated investment exchange;
- (c) a newly issued security which can reasonably be expected to fall within (b) when it begins to be traded.

rebalancing of the portfolio

(in *COLL* and ~~in accordance with article 2(1) of the UCITS implementing Directive No 2~~) means a significant modification of the composition of the *scheme property* of a *UCITS scheme* ~~or the portfolio of an EEA UCITS scheme~~.

[Note: article 2(1) of the *UCITS implementing Directive No 2*]

receiving UCITS

(in *COLL* and in accordance with regulations 7 and 8 of the *UCITS Regulations 2011*) in relation to a *UCITS merger*, the *UCITS scheme* ~~or EEA UCITS scheme~~ or *sub-fund* of that *scheme*, whether it is an existing *scheme* (or a *sub-fund* of it) or one that is being formed for the purpose of that merger, which under the proposed arrangements will be receiving the assets and liabilities of one or more *merging UCITS*.

recognised body

an *RIE* ~~or RAP~~

recognised body requirements

...

- (2) (in relation to a *UK RIE*) the *MiFID/MiFIR requirements*; and
- (3) ~~(in relation to an RAP) the RAP recognition requirements; and [deleted]~~
- (4) (in relation to any of the bodies specified in (1) ~~to (3)~~ and (2)) any other obligations imposed by or under the *Act*.

recognised scheme

- (1) (other than in LR) a scheme recognised under:
 - (a) ~~section 264 of the Act (Schemes constituted in other EEA States); or [deleted]~~
 - (b) [deleted]

- (c) section 272 of the Act (Individually recognised overseas schemes); or
- (d) (in COBS 14 and for the purposes of the definitions of *non-mainstream pooled investment* and *packaged product*) an *EEA UCITS scheme* recognised under Part 6 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018.
- (2) (in LR) a *scheme* recognised for the purpose of part XVII of the Act.

recognised third country credit institution

a full CRD credit institution that satisfies the following conditions:

- (a) its head office is outside the ~~EEA~~ UK;
- (b) it is authorised by a *third country competent authority* in the state or territory in which the credit institution's head office is located; and
- (c) that *third country competent authority* applies prudential and supervisory requirements to that credit institution that are at least equivalent to those applied in the ~~EEA~~ UK.

recognised third country investment firm

- (1) (in BIPRU and GENPRU 3.2 (Third-country groups) as it applies to a *BIPRU firm* in relation to a *third-country banking and investment group* and a *banking and investment group*) a *CAD investment firm* that satisfies the following conditions:
 - (a) its head office is outside the ~~EEA~~ UK;
 - (b) it is authorised by a *third country competent authority* in the state or territory in which the *CAD investment firm's* head office is located;
 - (c) that *third country competent authority* is named in Part 2 of *BIPRU 8 Annex 6* (Non-~~EEA~~ UK investment firm regulators' requirements deemed *CRD*-equivalent for individual risks); and
 - (d) that *investment firm* is subject to and complies with prudential rules of or administered by that *third country competent authority* that are at least as stringent as those laid down ~~in the *Banking Consolidation Directive* and the *Capital Adequacy Directive* as applied under the third paragraph of article 95(2) of the *EU CRR*~~ for *BIPRU firms* in *GENPRU* and *BIPRU*.

- (2) (except for the purpose in (1)) (in *GENPRU* 3.2 (Third country groups) in relation to a *third-country banking and investment group* and a *banking and investment group*) an *investment firm* that falls within the meaning of “investment firm” in article 4(1)(2) of the ~~*EU-CRR*~~ *UK CRR* and which satisfies the following conditions:
- (a) its head office is outside the ~~*EEA*~~ *UK*;
- (b) it is authorised by a *third country competent authority* in the state or territory in which the *investment firm*’s head office is located; and
- (c) that *investment firm* is subject to and complies with prudential rules of or administered by that *third country competent authority* that are at least as stringent as those laid down in the ~~*EU-CRR*~~ *UK CRR*.
- (3) (in *GENPRU* 3.1) a *firm* in either (1) or (2), or both.
- recognition order* (in accordance with section 313 of the *Act* (Interpretation of Part XVIII)) an order made under section 290 or 292 of the *Act* which declares an investment exchange to be an *RIE* ~~or (for *RAPs*) an order made under regulation 2 of the *RAP regulations* which declares a *UK RIE* to be an *RAP*.~~
- regular user* (1) ...
- (2) ~~(in accordance with section 130A(3) of the *Act* (Market abuse) as modified by the *RAP Regulations*) a person who is, in relation to a particular auction platform, a reasonable person who regularly makes bids on that market for *investments* of the kind in question. [deleted]~~
- regulated activity* (A) ...
- (B) in the *FCA Handbook*:(in accordance with section 22 of the *Act* (Regulated activities) the activities specified in Part II of the *Regulated Activities Order* (Specified Activities) which are, in summary:
- ...
- (ea) ~~*bidding in emissions auctions* (article 24A) [deleted];~~
- ...
- (na) *managing a UK UCITS* (article 51ZA);
- (nb) *acting as trustee or depositary of a UK UCITS* (article 51ZB);

...

regulated entity

one of the following:

- (a) a *credit institution*; or
- (b) a ~~“Solvency II undertaking”~~ “UK Solvency II firm”, “third country insurance undertaking” or “third country reinsurance undertaking”, each as defined in the PRA Rulebook: Glossary; or
- (c) an *investment firm*;

whether or not it is incorporated in, or has its head office in, ~~an EEA State~~ the UK.

An *asset management company* is treated as a regulated entity for the purposes described in GENPRU 3.1.39R (The financial sectors: asset management companies).

An *alternative investment fund manager* is treated as a regulated entity for the purposes described in GENPRU 3.1.39R (The financial sectors: alternative investment fund managers). GENPRU 3.1.39R (The financial sectors: asset management companies).

regulated information

all information which an *issuer*, or any other *person* who has applied for the admission of *financial instruments* to trading on a *regulated market* without the *issuer’s* consent, is required to disclose under:

- (a) ~~the Transparency Directive~~ DTR; or
- (b) articles 17 to 19 of the *Market Abuse Regulation*; or
- (c) ~~LR, and~~ DTR.

regulated market

- (1) ~~a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in financial instruments — in the system and in accordance with its non-discretionary rules — in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the Title III of MiFID~~ a regulated market which is a UK RIE.

[Note: article 4(1)(21) ~~2(1)(13A)~~ of ~~MiFID~~ MiFIR]

- (2) (in addition, in *INSPRU* and *IPRU(INS)* only) a market situated outside the ~~EEA States~~ United Kingdom which is characterised by the fact that:

- (a) it meets comparable requirements to those set out in (1); and
- (b) the *financial instruments* dealt in are of a quality comparable to those in a regulated market in the *United Kingdom*.

(3) (in MAR 1, FUND, COLL and COBS 21) as in (1) above or an EU regulated market.

regulated mortgage contract

- (a) (in relation to a contract) a contract which:
 - (i) (in accordance with article 61(3) of the *Regulated Activities Order*) at the time it is entered into, meets the following conditions:
 - (A) a lender provides credit to an individual or to trustees (the ‘borrower’); and
 - (B) the obligation of the borrower to repay is secured by a mortgage on land ~~in the EEA~~, at least 40% of which is used, or is intended to be used, in the case of credit provided to an individual, as or in connection with a dwelling; or (in the case of credit provided to a trustee who is not an individual), as or in connection with a dwelling by an individual who is a beneficiary of the trust, or by a *related person*;

where “land” for this purpose means:

- (C) in relation to a contract entered into before *exit day*:
 - (I) land in the *United Kingdom*; or
 - (II) if the contract was entered into on or after 21 March 2016, land in the *United Kingdom* or within the territory of a State that was an *EEA State* at the time the contract was entered into; and
- (D) in relation to a contract entered into on or after *exit day*, land in the *United Kingdom*.

...

regulatory function

(as defined in section 291 of the *Act* (Liability in relation to *recognised body’s* regulatory functions)) any function of a *recognised body* so far as relating to, or to matters arising out of, the obligations to which the

body is subject under or by virtue of the *Act* and ~~(for an *RAP*) under the *RAP* recognition requirements.~~

regulatory information service or *RIS*

- (a) a primary information provider;~~;~~ ~~or~~
- (b) ~~an incoming information society service that has its establishment in an EEA State other than the United Kingdom and that disseminates regulated information in accordance with the minimum standards set out in article 12 of the TD implementing Directive. [deleted]~~

regulatory system

the arrangements for regulating a *firm* or other *person* in or under the *Act*, including the *threshold conditions*, the *Principles* and other *rules*, the *Statements of Principle*, codes and *guidance*, or in or under the *CCA*, and including any relevant ~~directly applicable~~ provisions of a ~~Directive or Regulation~~ an onshored regulation such as those contained in the *MiFID Org Regulation* and the *EU-CRR UK CRR*.

relevant credit exposures

~~(in accordance with article 140(4) of *CRD*)~~ exposures, other than those referred to in article 112(a) to (f) of the *EU-CRR UK CRR* (Exposure classes), that are subject to:

- (a) the *own funds requirements* for credit risk under Part Three, Title II of the *EU-CRR UK CRR*;
- (b) where the *exposure* is held in the *trading book*, *own funds requirements* for specific risk under Part Three, Title IV, Chapter 2 of the *EU-CRR UK CRR* or incremental default and migration risk under Part Three, Title IV, Chapter 5 of the *EU-CRR UK CRR*; or
- (c) where the *exposure* is a *securitisation*, the *own funds requirements* under Part Three, Title II, Chapter 5 of the *EU-CRR UK CRR*.

[Note: article 140(4) of *CRD*]

relevant information

- (1) ...
- (2) (in *REC*) (in relation to an *investment*) information which is relevant to determining the current value of that *investment* ~~or (in relation to *RAPs*) information on the terms of *emissions auction products* and the terms on which they will be auctioned on an *RAP*.~~

Remuneration Code staff

(for an *IFPRU investment firm* and an overseas firm in *SYSC* 19A1.1.1R(1)(d) that would have been an *IFPRU investment firm* if it had been a *UK domestic firm*) has the meaning given in *SYSC* 19A.3.4R which is, in summary, an *employee* whose professional activities have a material impact on the *firm's* risk profile, including

any *employee* who is deemed to have a material impact on the *firm's* risk profile in accordance with Regulation (EU) 604/2014 of 4 March 2014 (Regulatory technical standards to identify staff who are material risk takers) the *Material Risk Takers Regulation*.

repurchase transaction

~~(in accordance with Article 3(1)(m) of the *Capital Adequacy Directive* and Article 4(33) of the *Banking Consolidation Directive (Definitions)* and for the purposes of *BIPRU*)~~ any agreement in which an *undertaking* or its counterparty transfers securities or *commodities* or guaranteed rights relating to title to securities or *commodities* where that guarantee is issued by a *designated investment exchange* or *recognised investment exchange* which holds the rights to the securities or *commodities* and the agreement does not allow an *undertaking* to transfer or pledge a particular security or *commodity* to more than one counterparty at one time, subject to a commitment to repurchase them or substituted securities or *commodities* of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a *repurchase agreement* for the *undertaking* selling the securities or *commodities* and a *reverse repurchase agreement* for the *undertaking* buying them.

[Note: article 3(1)(m) of the *Capital Adequacy Directive* and Article 4(33) of the *Banking Consolidation Directive (Definitions)*]

respondent

(1) (in *DISP*, *FEES 5*, *CREDS 9* and *GEN 7*) a *firm* (except an *AIFM qualifier* or a *UCITS qualifier*), *payment service provider*, *electronic money issuer*, *CBTL firm*, *designated credit reference agency*, *designated finance platform*, or *VJ participant* covered by the *Compulsory Jurisdiction* or *Voluntary Jurisdiction* of the *Financial Ombudsman Service*.

...

retail customer

~~(in accordance with the meaning of ‘consumer’ in article 2(d) of the *Distance Marketing Directive*)~~ an individual who is acting for purposes which are outside his trade, business or profession.

[Note: article 2(d) of the *Distance Marketing Directive*]

revolving exposure

(for the purpose of *BIPRU* 9.13 (Securitisations of revolving exposures with early amortisation provisions) ~~and in accordance with Article 100 of the *Banking Consolidation Directive (Securitisations of revolving exposures)*~~) an *exposure* whereby customers’ outstanding balances are permitted to fluctuate based on their decisions to borrow and repay, up to an agreed limit.

[Note: article 100 of the *Banking Consolidation Directive (Securitisations of revolving exposures)*]

risk concentration

~~(in accordance with Article 2(19) of the *Financial Groups Directive (Definitions)*)~~ all risk exposures with a loss potential which is large enough to threaten the solvency or the financial position in general of the *regulated entities* in the *financial conglomerate*, whether such

exposures are caused by counterparty risk/credit risk, investment risk, insurance risk, market risk, other risks, or a combination or interaction of these risks.

[Note: article 2(19) of the *Financial Groups Directive (Definitions)*]

risk limit system

(in ~~COLL and in accordance with article 40(2)(d) of the UCITS implementing Directive~~) a documented system of internal limits concerning the measures used by a *management company* to manage and control the relevant risks for each *UCITS* it manages, taking into account all the risks which may be material to the *UCITS*, ~~as referred to in the second paragraph of article 38(1) of the UCITS implementing Directive and~~ including, but not limited to, liquidity risk, counterparty risk, market risk and operational risk, and ensuring consistency with the *UCITS'* risk profile.

[Note: article 38(1) and 40(2)(d) of the *UCITS implementing Directive*]

risk of excessive leverage

has the meaning in article 4(1)(94) of ~~EU CRR~~ UK CRR.

risk position

(~~in accordance with Part 1 of Annex III of the Banking Consolidation Directive (Definitions) and~~ for the purpose of *BIPRU 13* (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) a risk number that is assigned to a transaction under the *CCR standardised method* following a predetermined algorithm.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)*]

rollover risk

(~~in accordance with Part 1 of Annex III of the Banking Consolidation Directive (Definitions) and~~ for the purpose of *BIPRU 13* (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) the amount by which *expected positive exposure* is understated when future transactions with a counterpart are expected to be conducted on an ongoing basis; the additional *exposure* generated by those future transactions is not included in calculation of *expected positive exposure*.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)*]

RRD early intervention condition

the requirements of:

- (a) the ~~EU CRR~~ UK CRR; or
- (b) the laws, regulations and administrative provisions necessary to comply with the UK provisions which implemented the CRD; or

(c) the laws, regulations and administrative provisions necessary to comply with the UK provisions which implemented title II of MiFID II; or

(d) articles 3 to 7, 14 to 17, 24, 25 and 26 of *MiFIR*.

[Note: article 27(1) of *RRD*]

RRD institution

(a) a *credit institution*; or

(b) ~~an investment firm that is subject to the initial capital requirement in article 28(2) of the CRD (a €730k investment firm)~~ an IFPRU 730K firm.

[Note: article 2(1)(23) of *RRD*]

RRD group

a group that:

(a) includes an *RRD institution*; and

(b) is headed by ~~an EEA parent undertaking~~ a UK parent undertaking.

scheme of arrangement

(in *COLL*) an arrangement relating to an *authorised fund* (“transferor fund”) or to a *sub-fund* of a *scheme* that is an *umbrella* (“transferor *sub-fund*”) under which:

...

This arrangement includes an arrangement that constitutes a *domestic UCITS merger* ~~or a cross-border UCITS merger~~.

sectoral rules

(in relation to a *financial sector*) rules and requirements relating to the prudential supervision of *regulated entities* applicable to *regulated entities* in that *financial sector* as follows:

(a) (for the purposes of *GENPRU* 3.1.12R (Definition of financial conglomerate: Solvency requirement)) ~~EEA~~ UK prudential sectoral legislation regulation for that *financial sector* together with as appropriate the rules and requirements in (c); or

...

(h) references to the appropriate regulator’s *sectoral rules* are to *sectoral rules* in the form of *rules* and, as applicable, the ~~EU~~ CRR UK CRR.

secured lending transaction

~~(in accordance with point 2 of Part 1 of Annex VIII of the Banking Consolidation Directive (Eligibility of credit risk mitigation) and for the purposes of BIPRU)~~ any transaction giving rise to an *exposure* secured by collateral which does not include a provision conferring

upon the *person* with the *exposure* the right to receive margin frequently.

[Note: point 2 of Part 1 of Annex VIII of the *Banking Consolidation Directive* (Eligibility of credit risk mitigation)]

securities and futures firm

a *firm* whose *permitted activities* include *designated investment business* ~~or *bidding in emissions auctions*~~, which is not an *authorised professional firm*, *bank*, *BIPRU firm* (unless it is an *exempt BIPRU commodities firm*), *IFPRU investment firm* (unless it is an *exempt IFPRU investment firm*), *building society*, *collective portfolio management firm*, *credit union*, *friendly society*, *ICVC*, *insurer*, *media firm*; or *service company*, ~~*incoming EEA firm* (without a *top-up permission*), *incoming Treaty firm* (without a *top-up permission*) or *UCITS qualifier* (without a *top-up permission*);~~ whose permission does not include a *requirement* that it comply with *IPRU(INV) 5* (Investment management firms) or 13 (Personal investment firms), and which is within (a), (b), (c), (d), (e), (f), (g); or (ga) ~~or (h)~~:

...

(h) a *firm* that is *exempt from MiFID* under article 2(1)(j) whose *permitted activities* include ~~*bidding in emissions auctions*~~.
[deleted]

securities financing transaction

(1) (in *COBS*) an instance of stock lending or stock borrowing or the lending or borrowing of other *financial instruments*, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.

(1A) (in *COLL* and *FUND*) a transaction defined in article 3(11) of the *Securities Financing Transactions Regulation*, as follows:

(a) a repurchase transaction, as defined in article 3(9) of ~~the~~ *SFTR* that regulation;

(b) securities or commodities lending and securities or commodities borrowing as defined in article 3(7) of ~~the~~ *SFTR* that regulation;

(c) a buy-sell back transaction or sell-buy back transaction as defined in article 3(8) of ~~the~~ *SFTR* that regulation; and

(d) a margin lending transaction as defined in article 3(10) of ~~the~~ *SFTR* that regulation.

(1B) (in *CASS*) a securities financing transaction as defined in article 3(11) of the *SFTR*.

[Note: article 1(3) of the *MiFID Delegated Directive*]

- (2) (in any other case) any of the following:
- (a) a *repurchase transaction*; or
 - (b) a *securities or commodities lending or borrowing transaction*; or
 - (c) a *margin lending transaction*.

*securities or
commodities lending
or borrowing
transaction*

~~(in accordance with Article 4(34) of the *Banking Consolidation Directive* and Article 3(1)(n) of the *Capital Adequacy Directive (Definitions)* and for the purposes of *BIPRU*)~~ any transaction in which an *undertaking* or its counterparty transfers securities or *commodities* against appropriate collateral subject to a commitment that the borrower will return equivalent securities or *commodities* at some future date or when requested to do so by the transferor, that transaction being *securities or commodities lending* for the *undertaking* transferring the securities or *commodities* and being *securities or commodities borrowing* for the *undertaking* to which they are transferred.

[Note: article 4(34) of the *Banking Consolidation Directive* and Article 3(1)(n) of the *Capital Adequacy Directive (Definitions)*]

*Securities Financing
Transactions
Regulation*

the *UK version* of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32015R2365>), which is part of *UK law* by virtue of the *EUWA*.

securitisation

- (1) (subject to (2) and (3)) a process by which assets are sold to a bankruptcy-remote special purpose vehicle in return for immediate cash payment and that vehicle raises the immediate cash payment through the issue of debt securities in the form of tradable notes or commercial paper.
- (2) ~~(in accordance with Article 4(36) of the *Banking Consolidation Directive (Definitions)* and in *BIPRU* and *MIPRU* 4)~~ a transaction or scheme whereby the credit risk associated with an *exposure* or pool of *exposures* is tranching having the following characteristics:
- (a) payments in the transaction or scheme are dependent upon the performance of the *exposure* or pool of *exposures*; and
 - (b) the subordination of *tranches* determines the distribution of *losses* during the ongoing life of the transaction or scheme.

[Note: article 4(36) of the Banking Consolidation Directive (Definitions)]

(3) (in *IFPRU*) has the meaning in article 4(1)(61) of the ~~*EU CRR*~~ *UK CRR*.

(4) (in *FEES 4 Annex 16R Part 3, item J.3*) has the same meaning as in article 2(1) of the *Securitisation Regulation*.

securitisation position

(1) (in *GENPRU, MIPRU* and *BIPRU*) (~~in accordance with Article 4(40) (Definitions) and Article 96 (Securitisation) of the *Banking Consolidation Directive*~~) an *exposure* to a *securitisation* within the meaning of paragraph (2) of the definition of *securitisation*; and so that:

- (a) where there is an *exposure* to different *tranches* in a *securitisation*, the *exposure* to each *tranche* must be considered as a separate *securitisation position*;
- (b) the providers of credit protection to *securitisation positions* must be considered to hold positions in the *securitisation*; and
- (c) *securitisation positions* include *exposures* to a *securitisation* arising from interest rate or currency derivative contracts.

[Note: article 4(1)(62) and 245(3) of the *UK CRR*]

(2) (in *IFPRU*) has the meaning in article 4(1)(62) of the ~~*EU CRR*~~ *UK CRR*.

Securitisation Regulation

the *UK version of Regulation (EU) 2017/2402* of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012.

[Note: see <https://eur-lex.europa.eu/eli/reg/2017/2402/oj>]

securitisation special purpose entity

(1) (~~in accordance with Article 4(44) of the *Banking Consolidation Directive (Definitions)*~~) and for the purposes of *BIPRU*) a corporation, trust or other entity, other than a *credit institution*, organised for carrying on a *securitisation* or *securitisations* (within the meaning of paragraph (2) of the definition of *securitisation*), the activities of which are limited to those appropriate to accomplishing that objective, the structure of which is intended to isolate the obligations of the *SSPE* from those of the *originator*, and the holders of the

beneficial interests in which have the right to pledge or exchange those interests without restriction.

[Note: article 4(44) of the *Banking Consolidation Directive (Definitions)*]

...

security

- (1) (except in *LR* and *CONC*) (in accordance with article 3(1) of the *Regulated Activities Order* (Interpretation)) any of the following *investments* specified in that Order:

...

- (3) (in *COLL*) in addition and to the extent it does not fall within (1), an *investment* which would have been within the definition of “security” in the *FCA Handbook* immediately before *exit day*.

senior management

- (1) (in *BIPRU* 7.10 (Use of a value at risk model) and in relation to a *firm*) the *firm’s governing body* and those of the *firm’s senior managers* and other senior management who have responsibilities relating to the measurement and control of the risks which the *firm’s VaR model* is designed to measure or whose responsibilities require them to take into account those risks.
- (2) (in *SYSC* (except *SYSC* 4.3A) and *IFPRU* and in accordance with article ~~3(9) of *CRD*~~ 4(1)(10) of the *UK CRR*) those *persons* who are a natural person and who exercise executive functions in an *institution* and who are responsible and accountable to the *management body* for the day-to-day management of the *institution*.
- (3) (in *SYSC* 4.3A and *COBS* 2.3B ~~and in accordance with article 4.1(37) of *MiFID*~~) those *persons* who are a natural person, who exercise executive functions in *common platform firms* and who are responsible and accountable to the *management body* for the day-to-day management of the *firm*, including for the implementation of the policies concerning the distribution of services and products to *clients* by it and its personnel.

[Note: article 4.1(37) of *MiFID*]

senior personnel

- (1) ...
- (2) (in relation to a *management company* ~~and in accordance with article 3(4) of the *UCITS implementing Directive*~~) the *person* or *persons* who effectively conduct the business of the *management company*.

[Note: article 3(4) of the *UCITS implementing Directive*]

<i>short selling regulation</i>	the <u>UK version of regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps, which is part of UK law by virtue of the EUWA.</u>
<i>Single Market Directives</i>	<ul style="list-style-type: none"> (a) the <i>Banking Consolidation Directive</i> (to the extent it applies <u>applied</u> to <i>CAD investment firms</i>); (aa) the <i>CRD</i>; (b) the <i>Solvency II Directive</i>; (ba) [deleted] (c) <i>MiFID</i>; (d) the <i>IDD</i>; (da) <i>MCD</i>; (e) the <i>UCITS Directive</i>; and (f) <i>AIFMD</i>.
<i>small authorised UK AIFM</i>	<p>a <i>UK AIFM</i> which:</p> <ul style="list-style-type: none"> (a) is a <i>small AIFM</i>; and (b) has not opted in to <i>AIFMD</i> in accordance with article 3(4) of <i>AIFMD</i> to become a <i>full scope UK AIFM</i> exercised the option to meet the full requirements applying to a full-scope <i>AIFM</i>.
<i>small non-EEA UK AIFM</i>	a non- EEA <u>UK</u> <i>AIFM</i> that is a <i>small AIFM</i> .
<i>small and medium-sized enterprise <u>or</u> SME</i>	<p>...</p> <p>(3) <u>(in <i>IFPRU</i>) has the meaning in article 4(1)(128D) of the <i>UK CRR</i>.</u></p>
<i>SMCR banking firm</i>	<p>any of the following:</p> <p>...</p> <p>(c) a <i>third country</i> <u>an <i>overseas</i> <i>SMCR banking firm</i>.</u></p>
<i>SMCR financial activities</i>	any of the following:

...

- (e) activities listed in points 2 to 15 of ~~Annex I to the CRD (List of activities subject to mutual recognition)~~ the list of Annex I activities.

SME growth market a multilateral trading facility that is registered as an SME growth market in accordance with ~~article 33 of MiFID~~ MAR 5.10.

~~[Note: article 4(1)(12) of MiFID]~~

SMF manager (in relation to an *SMCR firm*) a *person* who has approval under section 59 of the *Act* (Approval for particular arrangements) to perform a *designated senior management function* in relation to the carrying on by that *SMCR firm* of a *regulated activity*.

A person treated as approved under section 59ZZA of the Act (as treated as being inserted into the Act by the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (SI 2018/1149) to perform a designated senior manager function is an SMF manager in that capacity.

Solvency II firm a *firm* which is any of:

- (a) a “UK Solvency II firm” as defined in chapter 2 of the PRA Rulebook: Solvency II Firms: Insurance General Application;
- (b) a third-country insurance or reinsurance undertaking, namely an undertaking that would require ~~authorisation~~ Part 4A permission as an insurance or reinsurance undertaking ~~in accordance with article 14 of the Solvency II Directive~~ if its head office was situated in the ~~EEA~~ United Kingdom;
- (c) ~~an undertaking authorised in accordance with a non-UK EEA State’s measures which implement article 14 of the Solvency II Directive; [deleted]~~
- (d) the *Society* and, separately, a *managing agent*; and
- (e) an *insurance special purpose vehicle*;
- (f) in *SUP TP 7* and *SUP TP 8*, *SYSC*, *COCON*, *SUP 10C* and *DEPP* only, a *large non-directive insurer*;

but excluding any *firm* to the extent that rule 2 of *PRA Rulebook: Solvency II Firms: Transitional Measures* disappplies relevant rules ~~implementing which implemented~~ the Solvency II Directive.

Solvency II Regulations ~~directly applicable EU Commission Delegated Regulations adopted in accordance with~~ onshored regulations which were previously EU regulations made under the Solvency II Directive.

sovereign issuer

(as defined in ~~article 2(1)(d) of the *short selling regulation*~~ article 2(1)(46A) *MiFIR*) ~~any of the following that issues debt instruments:~~
means any of the following which issue debt instruments

- ~~(a) the *EU*; or~~
- ~~(b) a Member State including a government department, an agency, or a special purpose vehicle of the Member State; or~~
- ~~(c) in the case of a federal Member State, a member of the federation; or~~
- ~~(d) a special purpose vehicle for several Member States; or~~
- ~~(e) an international financial institution established by two or more Member States which has the purpose of mobilising funding and provide financial assistance to the benefit of its members that are experiencing or threatened by severe financing problems; or~~
- ~~(f) the European Investment Bank.~~

(a) the *United Kingdom*, including a government department, an agency, or a special purpose vehicle of the *United Kingdom*;

(b) a State other than the *United Kingdom*, including a government department, an agency or a special purpose vehicle of the State;

(c) in the case of a federal State, a member of the federation;

(d) a special purpose vehicle for several States;

(e) an international financial institution established by two or more States which has the purpose of mobilising funding and providing financial assistance for the benefit of those of its members that are experiencing or threatened by severe financing problems;

(f) the *EU*;

(g) the European Investment Bank;

(h) the International Finance Corporation;

(i) the International Monetary Fund.

specific risk

(1) (in *SYSC*) unique risk that is due to the individual nature of an asset and can potentially be diversified.

(2) (in *GENPRU* and *BIPRU* ~~and in accordance with paragraph 12 of Annex I of the *Capital Adequacy Directive*~~) the risk of a

price change in an *investment* due to factors related to its issuer or, in the case of a *derivative*, the issuer of the underlying *investment*.

[Note: paragraph 12 of Annex I of the *Capital Adequacy Directive*]

specific wrong-way risk (~~in accordance with Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)*~~ and for the purpose of *BIPRU 13* (The calculation of counterparty risk exposure values for financial derivatives, securities financing transactions and long settlement transactions)) the risk that arises when the exposure to a particular counterparty is positively correlated with the *probability of default* of the counterparty due to the nature of the transactions with the counterparty; a *firm* is exposed to *specific wrong-way risk* if the future exposure to a specific counterparty is expected to be high when the counterparty's *probability of default* is also high.

[Note: Part 1 of Annex III of the *Banking Consolidation Directive (Definitions)*]

specified investment (1) any of the following *investments* specified in Part III of the *Regulated Activities Order* (Specified Investments):

...

(oe) ~~*emissions auction products* (article 82A); [deleted]~~

...

(2) (in *COLL*) in addition and to the extent it does not fall within (1), an *investment* which would have been within the definition of “specified investment” in the *FCA Handbook* immediately before *exit day*.

sponsor (1) ...

(2) (in *BIPRU*), ~~in accordance with Article 4(42) of the *Banking Consolidation Directive (Definitions)*~~ and in *MIPRU 4* and in relation to a *securitisation* within the meaning of paragraph (2) of the definition of *securitisation*, an *undertaking* other than an *originator* that establishes and manages an *asset backed commercial paper programme* or other *securitisation* scheme that purchases *exposures* from third party entities.

[Note: article 4(42) of the *Banking Consolidation Directive (Definitions)*]

(3) in *IFPRU* and *FUND*) has the meaning in article 4(1)(14) of the ~~*EU CRR UK CRR*~~.

standardised approach (for the purposes of *BIPRU*) one of the following:

...

- (e) (where the one of the approaches in (a) to (d) (c) is being applied on a consolidated basis) that approach as applied on a consolidated basis in accordance with BIPRU 8 (Group risk - consolidation); ~~or~~
- (f) ~~when the reference is to the rules of or administered by a regulatory body other than the appropriate regulator, whatever corresponds to the approach in (a) to (e), as the case may be, under those rules. [deleted]~~

*state finance
organisation*

a legal person other than a *company*:

- (a) which is a national of ~~an EEA State~~ a state;

...

- (d) which is financed by means of the resources they have raised and resources provided by the ~~EEA State~~ state; and
- (e) the *debt securities* issued by it are considered by the law of the relevant ~~EEA State~~ state as securities issued or guaranteed by that state.

state monopoly

a *company* or other legal person which is a national of ~~an EEA state~~ a state and which:

- (a) in carrying on its business benefits from a monopoly right granted by ~~an EEA state~~ a state; and
- (b) is set up by or pursuant to a special law or whose borrowings are unconditionally and irrevocably guaranteed by ~~an EEA state~~ a state or one of the ~~federated states of an EEA state~~ a state's federated states.

*State of the
commitment*

~~(in accordance with paragraph 6(1) of Schedule 12 to the Act (Transfer schemes: certificates)) (in relation to a commitment entered into at any date):~~

- (a) if the *policyholder* is an individual, the State in which he had his habitual residence at that date;
- (b) if the *policyholder* is not an individual, the State in which the establishment of the *policyholder* to which the commitment relates was established at that date;

in this definition, “commitment” means (in accordance with article 2 of the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001 (SI

2001/3625)) any contract of insurance of a kind referred to in UK provisions which implemented article 2(3) of the *Solvency II Directive*.

State of the risk

(in accordance with paragraph 6(3) of Schedule 12 to the Act (Transfer schemes: certificates)) (in relation to the *EEA State* in which a risk is situated):

- (a) if the insurance relates to a building or to a building and its contents (so far as the contents are covered by the same policy), the *EEA State* state in which the building is situated;
- (b) if the insurance relates to a vehicle of any type, the *EEA State* state of registration;
- (ba) if the insurance relates to a *vehicle* dispatched from one *EEA State* state to another, in respect of the period of 30 days beginning with the day on which the purchaser accepts delivery, the *EEA State* state of destination (and not, as provided by sub-paragraph (b), the *EEA State* state of registration);

[Note: article 15(1) of the *Consolidated Motor Insurance Directive*]

- (c) in the case of *policies* of a duration of four months or less covering travel or holiday risks (whatever the class concerned), the *EEA State* state in which the *policyholder* took out the *policy*;
- (d) in a case not covered by (a) to (c):
 - (i) if the *policyholder* is an individual, the *EEA State* state in which he has his habitual residence at the date when the contract is entered into; and
 - (ii) otherwise, the *EEA State* state in which the establishment of the *policyholder* to which the *policy* relates is situated at that date.

sub-consolidated basis

has the meaning in article 4(1)(49) of the ~~EU CRR~~ UK CRR.

subsidiary

- (1) (except in relation to *MiFID business*) (as defined in section 1159(1) of the Companies Act 2006 (Meaning of “subsidiary”, etc)) (in relation to another *body corporate* (“H”)) a *body corporate* of which H is a *holding company*.
- (2) (in relation to *MiFID business*) a subsidiary undertaking within the meaning of article 2(10) and article 22 of the *Accounting Directive*, including any subsidiary of a subsidiary undertaking of an ultimate *parent undertaking*.

- (3) (for the purpose of *IFPRU*) has the meaning in article 4(1)(16) of the *EU CRR UK CRR*.

[Note: article 4 (1)(33) of *MiFID*]

suitability report

a report which a *firm* must provide to its *client* which, among other things, explains why the *firm* has concluded that a recommended transaction is suitable for the *client* and which is provided pursuant to:

...

- (c) *GEN 2.2.22AR* and *COBS 9A.3.3EUUK* where the *firm* is carrying on the *equivalent business of a third country investment firm*;
- (d) *COBS 9A.1.2R* and *COBS 9A.3.3EUUK* where the *firm* is carrying on *MiFID optional exemption business*; or

...

summary resolution communication

either:

- (1) in relation to a *MiFID complaint*, a response in accordance with *DISP 1.1A.24EUUK*, *DISP 1.1A.25EUUK* and *DISP 1.1A.26R*; or
- (2) in relation to all other *complaints*, has the meaning given in *DISP 1.5.4R*.

supervisory authority

- (1) (~~in accordance with article 4(1)(al) of *AIFMD*~~) (for a ~~*non-EEA UK AIF*~~) the national authority or authorities of the ~~*non-EEA State*~~ empowered by law or regulation to supervise *AIFs* in that ~~*non-EEA State*~~.

[Note: article 4(1)(al) of *AIFMD*]

- (2) (~~in accordance with article 4(1)(am) of *AIFMD*~~) (for a ~~*non-EEA UK AIFM*~~) the national authority or authorities of the ~~*non-EEA State*~~ empowered by law or regulation to supervise *AIFMs* in that ~~*non-EEA State*~~.

[Note: article 4(1)(am) of *AIFMD*]

supervisory formula method

(for the purposes of *BIPRU 9* (Securitisation), in relation to a *securitisation* within the meaning of paragraph (2) of the definition of *securitisation* and ~~in accordance with Part 1 of Annex IX of the *Banking Consolidation Directive* (Securitisation definitions)~~) the method of calculating *risk weighted exposure amounts* for *securitisation positions* set out in *BIPRU 9.12.21R – BIPRU 9.12.23R* and *BIPRU 9.14.3R*.

[Note: Part 1 of Annex IX of the *Banking Consolidation Directive* (Securitisation definitions)]

- supervisory function* (1) any function within a *common platform firm* that is responsible for the supervision of its *senior personnel*.
- (2) (in relation to a *management company* ~~and in accordance with article 3(6) of the *UCITS implementing Directive*~~) the *relevant persons* or body or bodies responsible for the supervision of its *senior personnel* and for the assessment and periodic review of the adequacy and effectiveness of the risk management process and of the policies, arrangements and procedures ~~put in place to comply with its obligations under the *UCITS Directive*~~ of the firm.

[Note: article 3(6) of the *UCITS implementing Directive*]

Swiss Treaty agreement the agreement of 10 October 1989 between the European Economic Community and the Swiss Confederation on direct insurance other than life insurance, approved on behalf of the European Economic Community by the Council Decision of 20 June 1999 (No 91/370/EEC).

[Note: the terms of the *Swiss Treaty agreement* are replicated in the agreement between the United Kingdom of Great Britain and Northern Ireland and the Swiss Confederation on Direct Insurance other than Life Insurance, signed on 25 January 2019 (see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774824/CS_Swiss_3.2019_Insurance.pdf).]

synthetic risk and reward indicator (in *COLL* ~~and in accordance with article 2(2) of the *UCITS implementing Directive No 2*~~) a synthetic indicator within the meaning of article 8 of the *KII Regulation*.

[Note: article 2(2) of the *UCITS implementing Directive No 2*]

synthetic securitisation (~~in accordance with Article 4(38) of the *Banking Consolidation Directive* (Definitions)~~ and for the purpose of *BIPRU*) a *securitisation* (within the meaning of paragraph (2) of the definition of securitisation) where the *tranching* is achieved by the use of credit derivatives or guarantees, and the pool of *exposures* is not removed from the balance sheet of the *originator*.

[Note: article 4(38) of the *Banking Consolidation Directive* (Definitions)]

systematic internaliser (~~has the meaning in article 4(1)(20) of *MiFID*~~) (in summary) an *investment firm* which, on an organised, frequent systematic and substantial basis, *deals on own account* by executing client orders outside a *regulated market*, an *MTF* or an *OTF* without operating a *multilateral system*.

[Note: article 4(1)(20) of *MiFID*]

an investment firm which:

- (a) on an organised, frequent, systemic and substantial basis, deals on own account when executing client orders outside a regulated market, UK MTF or UK OTF without operating a multilateral system; and
- (b) either:
 - (i) satisfies the criteria set out in Article 12, 13, 14, 15 or 16 of the *MiFID Org Regulation* assessed, in accordance with Article 17 of that Regulation; or
 - (ii) has chosen to opt-in to the systemic internaliser regime.

For these purposes:

- (A) the frequent and systemic basis is to be measured either by the number of OTC trades in the financial instrument carried out by the investment firm on own account when executing client orders; and
- (B) the substantial basis is to be measured either by the size of the OTC trading carried out by the investment firm in relation to the total trading of the investment firm in a specific financial instrument or by the size of the OTC trading carried out by the investment firm in relation to the total trading in the relevant area (within the meaning of article 14(5A) of *MiFIR*) in a specific financial instrument.

[Note: article 2(1)(12) and (12A) of *MiFIR*]

systemically important institution

~~(in accordance with article 3(30) of *CRD*) an EEA parent institution an EEA parent financial holding company, an EEA parent mixed financial holding company or an institution the failure or malfunction of which could lead to systemic risk (in *IFPRU*) has the meaning in article 4(1)(128D) of the *UK CRR*.~~

[Note: article 3(30) of *CRD*]

third country

a territory or country which is not ~~an EEA State~~ the United Kingdom.

third-country banking and investment group

a banking and investment group that meets the following conditions:

- (a) it is headed by:
 - (i) a credit institution; or
 - (ii) an asset management company; or

(iii) an *investment firm*; or

(iv) a *financial holding company*;

that has its head office outside the ~~EEA~~ United Kingdom; and

(b) it is not part of a wider ~~EEA banking and investment group consolidation group~~ that is required by UK prudential sectoral regulation for the banking sector or the investment services sector to be subject to consolidated supervision.

*third country
benchmark
contributor*

a *firm* which:

(1) *contributes input data* to a *BMR benchmark administrator*;

(2) is ~~located in a non-EU state~~ outside the United Kingdom; and

(3) either

(a) is a *supervised entity*; or

(b) would be a *supervised entity* if it were located in the ~~EU~~ United Kingdom.

*third country BIPRU
firm*

(1) (in *BIPRU* (except in *BIPRU* 12) and *SYSC* 19C) an *overseas firm* that:

(a) ~~is not an EEA firm~~; [deleted]

(b) ~~has its head office outside the EEA~~; and [deleted]

(c) would be a *BIPRU firm* if it had been a *UK domestic firm*, it had carried on all its business in the *United Kingdom* and had obtained whatever authorisations for doing so are required under the *Act*.

(2) ~~(in BIPRU 12) an overseas firm that:~~

(a) is a *bank*;

(b) is not an *EEA firm*; and

(c) ~~has its head office outside the EEA~~. [deleted]

*third country
competent authority*

a *regulatory body* of a state or territory ~~that is not an EEA State~~ other than the United Kingdom.

*third-country
competent authority*

the authority of a country or territory which is not an ~~EEA State~~ the United Kingdom that is empowered by law or regulation to supervise (whether on an individual or group-wide basis) *regulated entities*.

<i>third-country countercyclical buffer authority</i>	<p>(1) the authority of a <i>third country</i> empowered by law or regulation with responsibility for setting the <i>countercyclical buffer rate</i> for that <i>third country</i>; <u>or</u></p> <p>(2) <u>the European Central Bank when it carries out the task of setting a countercyclical buffer rate for an EEA State conferred on it by article 5(2) of Council Regulation (EU) No 1024/2013, conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.</u></p>
<i>third-country financial conglomerate</i>	a <i>financial conglomerate</i> that is of a type that falls under Article 5(3) of the <i>Financial Groups Directive</i>, which in summary is a <i>financial conglomerate</i> headed by a <i>regulated entity</i> or a <i>mixed financial holding company</i> that has its head office outside the <u>EEA United Kingdom</u> .
<i>third country firm</i>	(in SYSC) either: <p>(a) a <i>third country investment firm</i>; or</p> <p>(b) the UK branch of a non-EEA bank <u>non-UK bank</u>.</p>
<i>third country IFPRU 730k firm</i>	an <i>overseas firm</i> that: <p>(a) is not an EEA firm;</p> <p>(b) has its head office outside the EEA; and</p> <p>(c) would be an <i>IFPRU 730k firm</i> if it had been a <i>UK domestic firm</i>, had carried on all of its business in the <i>United Kingdom</i> and had obtained whatever authorisations for doing so as are required under the <i>Act</i>.</p>
<i>third country investment firm</i>	a <i>firm</i> which would be a <i>MiFID investment firm</i> if it had its head office in the EEA <u>UK</u> .
<i>third country investment services undertaking</i>	(in BIPRU) a <i>CAD investment firm</i> , a <i>financial institution</i> or an <i>asset management company</i> in a non-EEA state <u>country other than the UK</u> .
<i>third party prospectus</i>	a communication made by a <i>firm</i> if the communication is a prospectus that: has been drawn up and published in accordance with [the <i>Prospectus Directive</i>] <p>(a) <u>has been approved by the FCA in accordance with Part 6 of the <i>Act</i> and the <i>firm</i> is not responsible under the <i>Prospectus Rules</i> for the information given in the prospectus; or</u></p> <p>(b) <u>is to be treated under regulation 73 of the Official Listing of Securities, Prospectus and Transparency (Amendment etc.)</u></p>

(EU Exit) Regulations 2019 as if it had been approved by the FCA and the *firm* is not responsible under ~~that directive~~ the Prospectus Directive for the information given in the prospectus.

[Note: recital 73 to the *MiFID Org Regulation*]

<i>tied agent</i>	a <i>person</i> who, under the full and unconditional responsibility of only one <i>MiFID investment firm</i> , or third country investment firm <u>or TP firm</u> which is an <u>EEA MiFID investment firm</u> on whose behalf it acts, promotes <i>investment services</i> and/or <i>ancillary services</i> to <i>clients</i> or prospective <i>clients</i> , receives and transmits instructions or orders from the <i>client</i> in respect of <i>investment services</i> or <i>financial instruments</i> , places <i>financial instruments</i> and/or provides advice to <i>clients</i> or prospective <i>clients</i> in respect of those <i>financial instruments</i> or <i>investment services</i> .
<i>tier 2 capital</i>	as defined in article 71 of the EU-CRR <u>UK CRR</u> .
<i>tier 2 instruments</i>	a capital instrument that qualify as tier 2 instruments under article 62 of the EU-CRR <u>UK CRR</u> .
<i>total return swap</i>	(in <i>COLL</i> and <i>FUND</i>) a derivative contract defined in article 3(18) of the <u>EU Securities Financing Transactions Regulation as it had effect immediately before exit day</u> .
<i>total risk exposure amount</i>	the total risk exposure amount of a <i>firm</i> calculated in accordance with article 92(3) of the EU-CRR <u>UK CRR</u> (Own funds requirements).
<i>trading book</i>	<p>(1) [deleted]</p> <p>(2) (in <i>BIPRU</i> and <i>GENPRU</i> in relation to a <i>BIPRU firm</i>) has the meaning in <i>BIPRU</i> 1.2 (Definition of the trading book) which is in summary, all that <i>firm's positions</i> in <i>CRD financial instruments</i> and <i>commodities</i> held either with trading intent or in order to hedge other elements of the <i>trading book</i>, and which are either free of any restrictive covenants on their tradability or able to be hedged.</p> <p>(3) (in <i>BIPRU</i> and <i>GENPRU</i> and in relation to a <i>person</i> other than a <i>BIPRU firm</i>) has the meaning in (2) with references to a <i>firm</i> replaced by ones to a <i>person</i>.</p> <p>(4) (in <i>IFPRU</i> and in relation to an <i>IFPRU investment firm</i>) has the meaning in article 4(1)(86) of the EU-CRR <u>UK CRR</u>.</p> <p>(5) (in <i>DTR</i>) has the meaning in article 4.1(86) of EU-CRR <u>UK CRR</u>.</p>
<i>trading day</i>	...

- (3) (in *FINMAR*) as defined in article 2(1)(p) of the *short selling regulation*, ~~a trading day as referred to in article 4 of Regulation (EC) No 1287/2006 in relation to a trading venue,~~ means a day during which the trading venue concerned is open for trading.
- trading venue*
- (1) (except in *FINMAR*) a *regulated market*, an *EU regulated market*, an *MTF* or an *OTF*.
[Note: article 4(1)(24) of *MiFID*]
- (2) (in *FINMAR*) (as defined in article 2(1)(l) of the *short selling regulation*) ~~a *regulated market* or an *MTF*;~~
- (a) a UK regulated market within the meaning of point (13A) of article 2(1) of *MiFIR*;
- (b) a UK multilateral trading facility within the meaning of point (14A) of article 2(1) of *MiFIR*.
- [Note: article 4(1)(24) of *MiFID*]
- ~~(3) (in *MAR*) a *regulated market* or an *MTF*.~~
- traditional securitisation*
- ~~(in accordance with Article 4(37) of the *Banking Consolidation Directive (Definitions)*) and~~ for the purpose of *BIPRU* and *MIPRU* a *securitisation* (within the meaning of paragraph (2) of the definition of *securitisation*) involving the economic transfer of the *exposures* being *securitised* to a *securitisation special purpose entity* which issues securities; and so that:
- (a) this must be accomplished by the transfer of ownership of the *securitised exposures* from the *originator* or through sub-participation; and
- (b) the securities issued do not represent payment obligations of the *originator*.
- [Note: article 4(37) of the *Banking Consolidation Directive (Definitions)*]

tranche (in accordance with Article 4(39) of the ~~Banking Consolidation Directive (Definitions)~~ and in relation to a *securitisation* within the meaning of paragraph (2) of the definition of *securitisation* and for the purposes of *BIPRU* and *MIPRU*) a contractually established segment of the credit risk associated with an *exposure* or number of *exposures*, where a position in the segment entails a risk of credit loss greater than or less than a position of the same amount in each other such segment, without taking account of credit protection provided by third parties directly to the holders of positions in the segment or in other segments.

[Note: article 4(39) of the *Banking Consolidation Directive (Definitions)*]

transferable security (1) (in *PR* and *LR*) (as defined in section 102A of the *Act*) anything which is a transferable security for the purposes of ~~MiFID~~ *MiFIR*, other than money market instruments for the purposes of that directive *MiFIR* which have a maturity of less than 12 months.

(2) (in *COLL*) an *investment* within *COLL* 5.2.7R (Transferable securities) in relation to *schemes* falling under *COLL* 5.

(3) those classes of securities which are negotiable on the capital market, with the exception of instruments of payment, such as:

(a) shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares;

(b) bonds or other forms of securitised debt, including depositary receipts in respect of such securities; and

(c) any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, *commodities* or other indices or measures.

[Note: article 4(1)(44) 2(24) of ~~MiFID~~ *MiFIR*]

UCITS undertakings for collective investment in transferable securities that are established in accordance with the *UCITS Directive* a *UCITS scheme* or an *EEA UCITS scheme*.

UCITS firm a *firm* which:

(a) is a *management company* (whether or not it is also the *manager* of *AIFs* or the *operator* of other *collective investment schemes*); and

- (b) does not have a *Part 4A permission* ~~(or an equivalent permission from its *Home State regulator*)~~ to carry on any *regulated activities* other than those which are in connection with, or for the purpose of, managing collective investment undertakings.
- UCITS investment firm* a *firm* which:
- (a) is a *management company* (whether or not it is also the *manager* of *AIFs* or the *operator* of *other collective investment schemes*); and
- (b) has a *Part 4A permission* ~~(or an equivalent permission from its *Home State regulator*)~~ to manage investments where:
- (i) the *investments* managed include one or more of the ~~instruments listed in Section C of Annex 1 to *MiFID*~~ *financial instruments*; and
- (ii) the permission extends to activities ~~permitted by referred to in article 6(3) of the *UCITS Directive* as well as those permitted by referred to in article 6(2).~~
- UCITS level 2 regulation* the UK version of Commission delegated regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to the obligations of depositaries, which is part of UK law by virtue of the *EUWA*, as amended by section 8 of the *EUWA*. (<http://eurlex.europa.eu/legal-content/EN/TXT/?qid=1459519567928&uri=CELEX:32016R0438>)
- UCITS management company* (1) (except in relation to *MiFID business*) a *firm* which is either:
- (a) a *UCITS firm*; or
- (b) a *UCITS investment firm*.
- (2) (in relation to *MiFID business*) a *management company* as defined in the *UCITS Directive*.
- ...
- UCITS marketing notification* (in *COLL*) a notification made before *exit day* in respect of a *UCITS scheme*, for the purpose of marketing units in another *EEA State*, pursuant to:
- ~~(a)~~ paragraph 20B(5) (Notice of intention to market) of Schedule 3 (EEA Passport Rights) to the ~~*Act*~~;

- (b) article 46 of the Council Directive of 20 December 1985 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 85/611/EEC).

UCITS merger

(in *COLL* and in accordance with article 2(1)(p) of the *UCITS Directive* regulations 7 and 8 of the *UCITS Regulations 2011*) a merger between one or more *UCITS schemes* or between one or more *UCITS schemes* and *EEA UCITS schemes* being an operation whereby:

- (a) one or more *merging UCITS*, on being dissolved without going into liquidation, transfers all of its assets and liabilities to an existing *receiving UCITS*, in exchange for the issue to its *Unitholders* of *units* of the *receiving UCITS* and, if applicable, a cash payment not exceeding 10% of the net asset value of those *units* (a “merger by absorption”); or [deleted]
- (b) two or more *merging UCITS*, on being dissolved without going into liquidation, transfer all of its assets and liabilities to a *receiving UCITS* which they form, in exchange for the issue to their *Unitholders* of *units* of the *receiving UCITS* and, if applicable, a cash payment not exceeding 10% of the net asset value of those *units* (a “merger by formation of a new *UCITS*”); or [deleted]
- (c) one or more *merging UCITS*, which continue to exist until the liabilities have been discharged, transfer its net assets to another *receiving UCITS*, and for this purpose the *merging UCITS* and the *receiving UCITS* may be *sub-funds* of the same *UCITS* (a “merger by *scheme of arrangement*”);

but at least one of which is established in the *United Kingdom*.

UCITS scheme

- (a) ~~an authorised fund authorised by the FCA in accordance with the *UCITS Directive*; means a *UK UCITS*.~~
- (i) ~~with the sole object of collective investment in *transferable securities* or in other liquid financial instruments permitted by *COLL* 5.2 (General investment powers and limits for *UCITS schemes*) of capital raised from the public and which operates on the principle of risk spreading; and~~
- (ii) ~~with *units* which are, at the request of *Unitholders*, repurchased or *redeemed*, directly or indirectly, out of the *scheme's* assets; and for this purpose action taken by or on behalf of a *scheme* to ensure that the stock exchange value of its *units* does not significantly vary from their net asset value is to be regarded as equivalent to that repurchase or *redemption*; or~~

(b) ~~an umbrella, each of whose sub-funds would be a UCITS scheme if it had a separate authorisation order;~~

unless:

(c) ~~{deleted}~~

(d) ~~the scheme's units under its instrument constituting the fund, may be sold only to the public in non-EEA States; or~~

(e) ~~the scheme (other than a master UCITS which has at least two feeder UCITS as Unitholders) raises capital without promoting the sale of its units to the public within the EEA or any part of it.~~

~~{Note: article 1 of the UCITS Directive}~~

UK consolidation group

(1) (for the purposes of SYSC as it applies to a CRR firm) the group of undertakings which are included in the consolidated situation of a UK parent institution in a Member State, an EEA parent institution, an EEA a UK parent financial holding company or an EEA a UK parent mixed financial holding company (including any undertaking which is included in that consolidation because of a consolidation article 12(1) relationship, article 18(5) relationship or article 18(6) relationship).

(2) (for the purposes of BIPRU and SYSC as it applies to a BIPRU firm) has the meaning in BIPRU 8.2.4R (Definition of UK consolidation group), which is in summary the group that is identified as a *UK consolidation group* in accordance with the decision tree in BIPRU 8 Annex 1R (Decision tree identifying a UK consolidation group); in each case only persons included under BIPRU 8.5 (Basis of consolidation) are included in the *UK consolidation group*.

UK countercyclical buffer authority

(for the purposes of IFPRU 10.3 (Countercyclical capital buffer) and in accordance with article 7 of The Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014) the Bank of England, designated for the purpose of article 136(1) of the CRD in article 7 of The Capital Requirements (Capital Buffers and Macroprudential Measures) Regulations 2014.

UK firm

(1) (except in REC) ~~(as defined in paragraph 10 of Schedule 3 to the Act (EEA Passport Rights))~~ either a an authorised person:

(a) whose head office is in the *United Kingdom* ~~and who has an EEA right to carry on activity in an EEA State other than the United Kingdom;~~ or

(b) whose registered office is in the *United Kingdom* ~~and who has an *EEA right* which derives from the *IDD* to carry on an activity in an *EEA State* other than the *United Kingdom*.~~

(2) ~~(in *REC*) means an investment firm or credit institution which has a *Part 4A permission* to carry on one or more regulated activities. [deleted]~~

UK lead regulated firm

a *UK firm* that:

- (a) is not part of a group that is subject to consolidated supervision by the *FCA* or the *PRA* or any other *regulatory body*; or
- (b) is part of a group that is subject to consolidated supervision by the *FCA* or the *PRA* and that group is not part of a wider group that is subject to consolidated supervision by a *regulatory body* other than the *FCA* or the *PRA*.

For the purposes of this definition:

- (c) Consolidated supervision of a group of persons means supervision of the adequacy of financial and other resources of that group on a *consolidated basis*.
- (d) It is not relevant whether or not any supervision by another *regulatory body* has been assessed as equivalent under the *CRD* and ~~*EU-CRR*~~ *UK CRR* or the *Financial Groups Directive*.
- (e) If the group is a *consolidation group* or *financial conglomerate* of which the *FCA* or the *PRA* is lead regulator that is headed by an *undertaking* that is not itself the *subsidiary undertaking* of another *undertaking* the *firm* is a 'UK lead regulated firm'.

This definition is not related to the defined term *lead regulated firm*.

UK recognised body

a *UK RIE* ~~or *RAP*~~.

unauthorised AIFM

a *person* who is not an *authorised person* but who is:

- (a) a *small registered UK AIFM*; or
- (b) ~~a small registered EEA AIFM, i.e. an *EEA AIFM* that is a *small AIFM* that has not opted in to become a *full scope EEA AIFM*; or [deleted]~~

- (c) ~~a full scope EEA AIFM that is entitled to market an AIF in the United Kingdom following a notification under regulation 57 of the AIFMD UK regulation; or [deleted]~~
- (d) ~~an a small non-EEA UK AIFM that is entitled to market an AIF in the United Kingdom following a notification under regulation 58 of the AIFMD UK regulation; or~~
- (e) ~~an above-threshold non-EEA UK AIFM to which the requirement at regulation 59(3) of the AIFMD UK regulation applies; or~~
- (f) ~~a full scope EEA AIFM that is exercising a right to market an AIF in the United Kingdom arising out of the EuSEF regulation or the EuVECA regulation. [deleted]~~
- unfunded credit protection*
- (1) ~~(in BIPRU and in accordance with Article 4(32) of the Banking Consolidation Directive (Definitions)) a technique of credit risk mitigation where the reduction of the credit risk on the exposure of an undertaking derives from the undertaking of a third party to pay an amount in the event of the default of the borrower or on the occurrence of other specified events.~~
[Note: article 4(32) of the Banking Consolidation Directive (Definitions)]
- (2) ~~(in IFPRU) has the meaning in article 4(1)(59) of the EU-CRR UK CRR.~~
- (3) ~~(in MIPRU) a way of mitigating credit risk where the reduction of credit risk on the exposure of an undertaking (the borrower) derives from the enforceable obligation of a third party to pay an amount in the event of the default of the borrower or on the occurrence of other specified events.~~
- unrated position*
- ~~(for the purposes of BIPRU 9 (Securitisation), in accordance with Part 1 of Annex IX of the Banking Consolidation Directive (Securitisation definitions) and in relation to a securitisation position) describes a securitisation position which does not have an eligible credit assessment by an eligible ECAI.~~
[Note: Part 1 of Annex IX of the Banking Consolidation Directive (Securitisation definitions)]
- VaR model permission*
- ~~an Article 129 implementing measure; a requirement or a waiver that requires a BIPRU firm or a CAD investment firm to use the VaR model approach on a solo basis or, if the context requires, a consolidated basis.~~
- Zone A country*
- (a) ~~any EEA State [deleted];~~
- (b) ~~all other~~ countries which are full members of the OECD; and

- (c) those countries which have concluded special lending arrangements with the International Monetary Fund (IMF) associated with the Fund's general arrangements to borrow (GAB),

save that any country falling with ~~(a)~~, (b) or (c) which reschedules its external sovereign debt is precluded from Zone A for a period of five years.

Delete the following definitions. The text is not shown struck through.

- AIFM qualifier* an *EEA AIFM* which is *marketing*, or has *marketed*, an *AIF* in the *UK* by:
- (a) exercising its *EEA right to market* under Schedule 3 of the *Act* (EEA Passport Rights); and
 - (b) is not exercising a right to *manage* a *UK AIF* under Schedule 3 of the *Act*.
- AIFMD host state requirements* Handbook rules transposing articles 12 and 14 of AIFMD and which fall under the responsibility of the *Host State* to supervise where an *AIFM* manages or markets an *AIF* through a branch in that *EEA State*, namely:
- (a) *FUND* 3.8;
 - (b) *SYSC* 4.1.2CR;
 - (c) *SYSC* 10.1.22 R to *SYSC* 10.1.26R; and
 - (d) *COBS* 2.1.4R.
- applicable provisions* the *Host State* rules with which:
- (a) an *incoming EEA firm* is required to comply when carrying on a *permitted activity* through a *branch* or by providing services (as applicable) in the *United Kingdom*, as defined in paragraphs 13(4) and 14(4) of Part II of Schedule 3 to the *Act* (Exercise of passport rights by EEA firms); or
 - (b) a *UK firm* is required to comply when conducting business through a *branch* (in accordance with paragraph 19(13) of Part III of Schedule 3 to the *Act* (Exercise of passport rights by UK firms)) or by providing services (as applicable) in another *EEA State*.
- Article 129 implementing measure* any:
- (a) measure taken by the *appropriate regulator* under regulations 7-9 of the *Capital Requirements Regulations 2006*; or

	(b) corresponding measure taken by another <i>competent authority</i> to apply an <i>Article 129 permission</i> as referred to in the last paragraph of Article 129(2) of the <i>Banking Consolidation Directive</i> .
<i>Article 129 permission</i>	a permission of the type referred to in Article 129(2) of the <i>Banking Consolidation Directive</i> (permission to apply the <i>IRB approach</i> , the <i>AMA approach</i> or the <i>CCR internal model method</i> on a consolidated basis) or Article 37(2) of the <i>Capital Adequacy Directive</i> (permission to apply the <i>VaR model approach</i> on a consolidated basis) excluding an <i>Article 129 implementing measure</i> .
<i>Article 129 procedure</i>	the procedure described in Article 129(2) of the <i>Banking Consolidation Directive</i> (permission to apply the <i>IRB approach</i> , the <i>AMA approach</i> or the <i>CCR internal model method</i> on a consolidated basis) or that applies under Article 37(2) of the <i>Capital Adequacy Directive</i> (permission to apply the <i>VaR model approach</i> on a consolidated basis) for the purpose of applying for and granting or refusing an <i>Article 129 permission</i> or the procedure for varying or revoking an <i>Article 129 permission</i> in accordance with the <i>Banking Consolidation Directive</i> or the <i>Capital Adequacy Directive</i> .
<i>auction platform</i>	a platform on which auctions of <i>emissions allowances</i> are held in accordance with the <i>auction regulation</i> .
<i>auction regulation</i>	Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community).
<i>auction regulation bidding</i>	the <i>regulated activity</i> of <i>bidding in emissions auctions</i> where it is carried on by a <i>firm</i> that is exempt from <i>MiFID</i> under article 2(1)(j).
<i>bidding in emissions auctions</i>	the <i>regulated activity</i> , specified in article 24A of the <i>Regulated Activities Order</i> (Bidding in emissions auctions), which is in summary the reception, transmission or submission of a bid at an auction of an <i>emissions auction product</i> conducted on an <i>auction platform</i> .
<i>branch passport notification</i>	a notification made in accordance article 35(2) of <i>MiFID</i> and <i>MiFID ITS 4A Annex VI</i> .
<i>central competent authority</i>	(in <i>MAR 10</i>) in respect of a particular <i>commodity derivative</i> traded in significant volumes on <i>trading venues</i> in more than one <i>EEA</i> jurisdiction, the <i>competent authority</i> of the <i>trading venue</i> where the largest volume of trading in the <i>commodity derivative</i> takes place in the <i>EEA</i> .
<i>consent notice</i>	a notice given by the <i>FCA</i> or <i>PRA</i> as the case may be to a <i>Host State regulator</i> under: <ul style="list-style-type: none"> (a) paragraph 19(4) (Establishment) of Part III of Schedule 3 to the <i>Act</i> (Exercise of Passport Rights by UK firms); or

	(b) paragraph 20(3A) (Services) of Part III of Schedule 3 to the <i>Act</i> (Exercise of Passport Rights by UK firms).
<i>country of origin</i>	in relation to an <i>electronic commerce activity</i> , the <i>EEA State</i> in which the <i>establishment</i> from which the service in question is provided is situated.
<i>cross-border dispute</i>	(as defined in regulation 5 of the <i>ADR Regulations</i>) a dispute concerning contractual obligations arising from a <i>sales contract</i> or a <i>service contract</i> where, at the time the <i>consumer</i> orders the goods or services, the <i>trader</i> is established in the <i>United Kingdom</i> and the <i>consumer</i> is resident in another Member State. [Note: article 4(1) of the <i>ADR Directive</i>]
<i>cross border services</i>	(1) (in relation to a <i>UK firm</i>) services provided within an <i>EEA State</i> other than the <i>United Kingdom</i> under the freedom to provide services. (2) (in relation to an <i>incoming EEA firm</i> or an <i>incoming Treaty firm</i>) services provided within the <i>United Kingdom</i> under the freedom to provide services.
<i>cross-border dispute</i>	(as defined in regulation 5 of the <i>ADR Regulations</i>) a dispute concerning contractual obligations arising from a <i>sales contract</i> or a <i>service contract</i> where, at the time the <i>consumer</i> orders the goods or services, the <i>trader</i> is established in the <i>United Kingdom</i> and the <i>consumer</i> is resident in another Member State. [Note: article 4(1) of the <i>ADR Directive</i>]
<i>Cross-Border Payments in Euro Regulations</i>	the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89).
<i>cross-border UCITS merger</i>	(in <i>COLL</i> and in accordance with article 2(1)(q) of the <i>UCITS Directive</i>) a <i>UCITS merger</i> of two or more <i>UCITS</i> : (a) at least two of which are established in different <i>EEA States</i> ; or (b) established in the same <i>EEA State</i> into a newly constituted <i>UCITS</i> established in another <i>EEA State</i> ; but at least one of which is established in the <i>United Kingdom</i> .
<i>EEA approved incoming information society service</i>	an incoming <i>information society service</i> that has its <i>establishment</i> in an <i>EEA State</i> other than the <i>United Kingdom</i> which has been approved in that state as meeting the standards set out in article 21 of the <i>TD</i> and article 12 of the <i>TD implementing Directive</i> .
<i>EEA authorisation</i>	(in accordance with paragraph 6 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)):

	(a) in relation to an <i>IDD insurance intermediary</i> or an <i>IDD reinsurance intermediary</i> , registration with its <i>Home State regulator</i> under article 3 of the <i>Insurance Distribution Directive</i> ;
	(b) in relation to any other <i>EEA firm</i> , authorisation granted to an <i>EEA firm</i> by its <i>Home State regulator</i> for the purpose of the relevant <i>Single Market Directive</i> or the <i>auction regulation</i> .
<i>EEA authorised electronic money institution</i>	(in accordance with regulation 2(1) of the <i>Electronic Money Regulations</i>) a <i>person</i> authorised in an <i>EEA State</i> other than the <i>United Kingdom</i> to issue <i>electronic money</i> and provide <i>payment services</i> in accordance with the <i>Electronic Money Directive</i> .
<i>EEA authorised payment institution</i>	(a) (in accordance with regulation 2(1) of the <i>Payment Services Regulations</i>) a <i>person</i> authorised in an <i>EEA State</i> other than the <i>United Kingdom</i> to provide <i>payment services</i> in accordance with the <i>Payment Services Directive</i> or a <i>person</i> entitled to provide <i>payment services</i> of the type described in paragraph 1(g) of Schedule 1 to the <i>Payment Services Regulations 2009</i> under regulation 152(5) of the <i>Payment Services Regulations</i> ; and (b) (in accordance with paragraph 1 of Schedule 7 to the <i>Payment Services Regulations</i>) a firm which has its head office in Gibraltar, is authorised in Gibraltar to provide <i>payment services</i> , and has an entitlement corresponding to its passport right deriving from the <i>Payment Services Directive</i> , to establish a <i>branch</i> or provide services in the <i>United Kingdom</i> .
<i>EEA bank</i>	an <i>incoming EEA firm</i> which is a <i>CRD credit institution</i> .
<i>EEA branch of an authorised electronic money institution</i>	(in accordance with regulation 2(1) of the <i>Electronic Money Regulations</i>) a branch established by an <i>authorised electronic money institution</i> , in the exercise of its <i>passport rights</i> , to issue <i>electronic money</i> , provide <i>payment services</i> , distribute or redeem <i>electronic money</i> or carry out other activities in accordance with the <i>Electronic Money Regulations</i> in an <i>EEA State</i> other than the <i>United Kingdom</i> .
<i>EEA countercyclical buffer authority</i>	(1) the authority or body of a <i>EEA State</i> , other than the <i>UK</i> , designated for the purpose of article 136 of <i>CRD</i> with responsibility for setting the <i>countercyclical buffer rate</i> for that <i>EEA State</i> ; or (2) the European Central Bank when it carries out the task of setting a countercyclical buffer rate for an <i>EEA State</i> conferred on it by article 5(2) of Council Regulation (EU) No. 1024/2013, conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.
<i>EEA-deposit insurer</i>	a <i>Solvency II firm</i> that is a third-country insurance undertaking and that has made a deposit in an <i>EEA State</i> (other than the <i>United Kingdom</i>)

	under article 162(2)(e) of the <i>Solvency II Directive</i> in accordance with article 167 of that Directive.
<i>EEA ELTIF</i>	an <i>ELTIF</i> authorised by a <i>competent authority</i> other than the <i>FCA</i> under the <i>ELTIF regulation</i> .
<i>EEA financial conglomerate</i>	a <i>financial conglomerate</i> that is of a type that falls under Article 5(2) of the <i>Financial Groups Directive</i> (Scope of supplementary supervision of <i>regulated entities</i> referred to in Article 1 of that Directive) which in summary means a <i>financial conglomerate</i> : <ul style="list-style-type: none"> (a) that is headed by an <i>EEA regulated entity</i>; or (b) in which the <i>parent undertaking</i> of an <i>EEA regulated entity</i> is a <i>mixed financial holding company</i> which has its head office in the <i>EEA</i>; or (c) in which an <i>EEA regulated entity</i> is linked with a member of the <i>financial conglomerate</i> in the <i>overall financial sector</i> by a <i>consolidation Article 12(1) relationship</i>.
<i>EEA insurer</i>	an <i>insurer</i> , other than a <i>pure reinsurer</i> , whose head office is in any <i>EEA State</i> except the <i>United Kingdom</i> and which has received <i>authorisation</i> under article 14 of the <i>Solvency II Directive</i> from its <i>Home State Regulator</i> .
<i>EEA market operator</i>	(in <i>REC</i>) a <i>person</i> who is a <i>market operator</i> whose <i>home state</i> is an <i>EEA State</i> other than the <i>United Kingdom</i> .
<i>EEA parent financial holding company</i>	<ul style="list-style-type: none"> (1) (in accordance with Article 4(17) of the <i>Banking Consolidation Directive</i> (Definitions) and Article 3 of the <i>Capital Adequacy Directive</i> (Definitions)) for the purpose of <i>GENPRU</i> (except <i>GENPRU 3</i>) and <i>BIPRU</i> (except in <i>BIPRU 12</i>) a <i>parent financial holding company in a Member State</i> which is not a <i>subsidiary undertaking</i> of an <i>institution</i> authorised in any <i>EEA State</i> or of another <i>financial holding company</i> or <i>mixed financial holding company</i> established in any <i>EEA State</i>. (2) (except in (1)) has the meaning as given to EU parent financial holding company in article 4(1)(31) of the <i>EU CRR</i>.
<i>EEA parent institution</i>	<ul style="list-style-type: none"> (1) (in accordance with Article 4(16) of the <i>Banking Consolidation Directive</i> and Article 2 of the <i>Capital Adequacy Directive</i> (Definitions)) for the purpose of <i>BIPRU</i> (except <i>BIPRU 12</i>) a <i>parent institution in a Member State</i> which is not a <i>subsidiary undertaking</i> of another <i>institution</i> authorised in any <i>EEA State</i>, or of a <i>financial holding company</i> or <i>mixed financial holding company</i> established in any <i>EEA State</i>. (2) (except in (1)) has the meaning as given to EU parent institution in article 4(1)(29) of the <i>EU CRR</i>.

<i>EEA parent mixed financial holding company</i>	<p>(1) (in accordance with Article 4(17a) of the <i>Banking Consolidation Directive</i> (Definitions)) for the purpose of <i>GENPRU</i> (except <i>GENPRU</i> 3) and <i>BIPRU</i> (except in <i>BIPRU</i> 12) a <i>parent mixed financial holding company</i> in a <i>Member State</i> which is not a <i>subsidiary undertaking</i> of an <i>institution</i> authorised in any <i>EEA State</i> or of another <i>financial holding company</i> or <i>mixed financial holding company</i> established in any <i>EEA State</i>.</p> <p>(2) (except in (1)) has the meaning as given to EU parent mixed financial holding company in article 4(1)(33) of the <i>EU CRR</i>.</p>
<i>EEA parent undertaking</i>	<p>(a) an <i>EEA parent institution</i>; or</p> <p>(b) an <i>EEA parent financial holding company</i>; or</p> <p>(c) an <i>EEA parent mixed financial holding company</i>.</p> <p>[Note: article 2(1)(85) of <i>RRD</i>]</p>
<i>EEA Passport Rights Regulations</i>	the Financial Services and Markets Act 2000 (EEA Passport Rights) Regulations 2001 (SI 2001/2511).
<i>EEA prudential sectoral legislation</i>	<p>(in relation to a <i>financial sector</i>) requirements applicable to <i>persons</i> in that <i>financial sector</i> in accordance with EEA legislation about prudential supervision of <i>regulated entities</i> in that <i>financial sector</i> and so that:</p> <p>(a) (in relation to the <i>banking sector</i> and the <i>investment services sector</i>) in particular this includes the requirements laid down in the <i>EU CRR</i> and (in relation to a <i>CAD investment firm</i>) the <i>Banking Consolidation Directive</i> and the <i>Capital Adequacy Directive</i>; and</p> <p>(b) (in relation to the <i>insurance sector</i>) in particular this includes requirements laid down in the <i>Solvency II Directive</i> and <i>Solvency II Regulations</i>.</p>
<i>EEA pure reinsurer</i>	a <i>pure reinsurer</i> whose head office is in any <i>EEA State</i> except the <i>United Kingdom</i> and which has received (or is deemed to have received) authorisation under article 14 of the <i>Solvency II Directive</i> from its <i>Home State Regulator</i> .
<i>EEA registered account information service provider</i>	(in accordance with regulation 2(1) of the <i>Payment Services Regulations</i>) a <i>person</i> that is registered as an <i>account information services provider</i> in an <i>EEA State</i> other than the <i>United Kingdom</i> under the <i>Payment Services Directive</i> .
<i>EEA registered tied agent</i>	a <i>tied agent</i> of a <i>UK MiFID investment firm</i> that is not an <i>appointed representative</i> and is not an <i>FCA registered tied agent</i> because it is established in an <i>EEA State</i> other than the <i>United Kingdom</i> .

<i>EEA regulated entity</i>	a <i>regulated entity</i> that is an <i>EEA firm</i> or a <i>UK firm</i> .
<i>EEA right</i>	<p>(in accordance with paragraph 7 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) the entitlement of a <i>person</i> to establish a <i>branch</i> or provide services in an <i>EEA State</i> other than that in which he has his relevant office:</p> <p>(a) in accordance with the <i>Treaty</i> as applied in the <i>European Economic Area</i>; and</p> <p>(b) subject to the conditions of the relevant <i>Single Market Directive</i> or the <i>auction regulation</i>.</p> <p>In this definition, relevant office means:</p> <p>(i) in relation to a <i>person</i> who has a registered office and whose entitlement is subject to the conditions of the <i>Insurance Distribution Directive</i>, his registered office; and</p> <p>(ii) in relation to any other <i>person</i>, his head office.</p>
<i>EEA territorial scope rule</i>	<i>COBS</i> 1 Annex 1, Part 2 paragraph 1(1) (which provides that the territorial scope of <i>COBS</i> is modified to the extent necessary to be compatible with European law).
<i>EEA tied agent</i>	a <i>tied agent</i> who is an <i>FCA registered tied agent</i> or an <i>EEA registered tied agent</i> .
<i>ELTIF</i>	a European long-term investment fund (as defined in the <i>ELTIF regulation</i>) authorised under the <i>ELTIF regulation</i> .
<i>ELTIF regulation</i>	Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds (http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2015_123_R_0010&from=EN).
<i>emissions auction product</i>	the <i>investment</i> specified in article 82A of the <i>Regulated Activities Order</i> (Greenhouse gas <i>emissions allowances</i>), which is in summary an <i>emissions allowance</i> offered for sale on an <i>auction platform</i> as a <i>financial instrument</i> or a <i>two-day emissions spot</i> .
<i>establishment conditions</i>	<p>(in relation to the establishment of a <i>branch</i> in the <i>United Kingdom</i>) the conditions specified in paragraph 13 of Schedule 3 to the <i>Act</i> (EEA Passport Rights), which are that:</p> <p>(a) if the <i>firm</i> falls within paragraph (a), (b), (c), (d) or (f) in the definition of “<i>EEA firm</i>”.</p> <p>(b) if the <i>firm</i> falls within paragraph (e) in the definition of “<i>EEA firm</i>”:</p>

- (i) the *appropriate regulator* has received notice (“a consent notice”) from the firm’s *Home State regulator* that the firm intends to establish a *branch* in the *United Kingdom*;
- (ii) (A) given in accordance with the *IDD*;
- (B) identifies the activities to which the consent relates; and
- (C) includes such other information as may be prescribed; and
- (iii) the *EEA firm* has been informed of the *applicable provisions* or one *month* has elapsed, beginning with the date on which the *appropriate UK regulator* received the consent notice.
- (c) the *EEA firm* has been informed of the *applicable provisions* or two *months* have elapsed beginning with the date when the *FCA* or *PRA* (as the case may be) received the consent notice.

<i>EU Cross-Border Regulation</i>	Regulation (EC) No 924/2009 of the European Parliament and of the Council on cross-border payments in the European Community.
<i>EuSEF</i>	a qualifying social entrepreneurship fund (as defined in the <i>EuSEF regulation</i>).
<i>EuSEF manager</i>	the manager of a qualifying social entrepreneurship fund (as defined in the <i>EuSEF Regulation</i>) that is registered in accordance with article 15 of the <i>EuSEF Regulation</i> .
<i>EuSEF regulation</i>	Regulation (EU) No 346/2013 of the European Parliament and the Council of 17 April 2013 on European social entrepreneurship funds as amended by Regulation (EU) No 2017/1991 of the European Parliament and the Council of 25 October 2017 amending Regulation (EU) No 345/2013 on European venture capital funds and Regulation (EU) No 346/2013 on European social entrepreneurship funds.
<i>EuVECA</i>	a qualifying venture capital fund (as defined in the <i>EuVECA regulation</i>).
<i>EuVECA manager</i>	the manager of a qualifying venture capital fund (as defined in the <i>EuVECA Regulation</i>) that is registered in accordance with article 14 of the <i>EuVECA Regulation</i> .
<i>EuVECA regulation</i>	Regulation (EU) No 345/2013 of the European Parliament and the Council of 17 April 2013 on European venture capital funds as amended by Regulation (EU) No 2017/1991 of the European Parliament and the Council of 25 October 2017 amending Regulation (EU) No 345/2013 on European venture capital funds and Regulation (EU) No 346/2013 on European social entrepreneurship funds.

<i>fund application rules</i>	(in <i>COLL</i> and <i>SUP</i>) the <i>rules</i> set out in <i>COLL</i> 12.3.5R (<i>COLL</i> fund rules under the management company passport: the fund application rules) that relate to the constitution and functioning of a <i>UCITS scheme</i> and that an <i>EEA UCITS management company</i> must comply with when acting as the <i>operator</i> of the <i>UCITS scheme</i> , whether from a <i>branch</i> in the <i>United Kingdom</i> or under the freedom to provide <i>cross border services</i> , as required by article 19(3) of the <i>UCITS Directive</i> .
<i>Home State authorisation</i>	(as defined in paragraph 3(1)(a) of Schedule 4 to the <i>Act</i> (Treaty Rights)) authorisation of a <i>firm</i> under the law of its <i>Home State</i> to carry on a <i>regulated activity</i> .
<i>IAS</i>	(in <i>LR</i>) <i>International Accounting Standards</i>
<i>incoming ECA provider</i>	a <i>person</i> , other than an <i>exempt person</i> , who: <ul style="list-style-type: none"> (a) provides an <i>electronic commerce activity</i>, from an <i>establishment</i> in an <i>EEA State</i> other than the <i>United Kingdom</i>, with or for an <i>ECA recipient</i> present in the <i>United Kingdom</i>; and (b) is a national of an <i>EEA State</i> or a company or firm mentioned in article 54 of the <i>Treaty</i>.
<i>incoming EEA AIFM</i>	an <i>incoming EEA firm</i> which is an <i>AIFM</i> and exercising its rights under <i>AIFMD</i> .
<i>incoming EEA AIFM branch</i>	an <i>incoming EEA firm</i> which is an <i>AIFM</i> and exercising its right to establish a <i>branch</i> under <i>AIFMD</i> .
<i>incoming EEA firm</i>	(in accordance with section 193(1)(a) of the <i>Act</i> (Interpretation of this Part)) an <i>EEA firm</i> which is exercising, or has exercised, its right to carry on a <i>regulated activity</i> in the <i>United Kingdom</i> in accordance with Schedule 3 to the <i>Act</i> (EEA Passport Rights).
<i>incoming firm</i>	(in accordance with section 193(1) of the <i>Act</i> (Interpretation of this Part)) an <i>incoming EEA firm</i> or an <i>incoming Treaty firm</i> .
<i>incoming Treaty firm</i>	(in accordance with section 193(1)(b) of the <i>Act</i> (Interpretation of this Part)) a <i>Treaty firm</i> which is exercising, or has exercised, its right to carry on a <i>regulated activity</i> in the <i>United Kingdom</i> in accordance with Schedule 4 to the <i>Act</i> (Treaty rights).
<i>information centre</i>	a centre established by an <i>EEA State</i> to meet its obligations under article 23 of the <i>Consolidated Motor Insurance Directive</i> (Information Centres).
<i>investment services and activities passport notification</i>	a notification made in accordance with article 34(2) of <i>MiFID</i> and <i>MiFID ITS 4</i> Annex I.

<i>MiFID business bidding</i>	the <i>regulated activity of bidding in emissions auctions</i> where it is carried on by a <i>MiFID investment firm</i> (other than a <i>UCITS investment firm</i>) in relation to a <i>financial instrument</i> .
<i>non-EEA firm</i>	a firm that has its registered office (or, if it has no registered office, its head office) in a <i>non-EEA state</i> .
<i>non-EEA insurer</i>	an <i>insurer</i> whose head office is not in an <i>EEA State</i> .
<i>non-EEA state</i>	a country or state that is not an <i>EEA State</i> .
<i>notice of intention</i>	a notice of intention (as described in <i>SUP 13.5</i>) given by a <i>UK firm</i> to: <ul style="list-style-type: none"> (a) establish a <i>branch</i> in an <i>EEA State</i> under paragraph 19(2) of Part III of Schedule 3 to the <i>Act</i> (Exercise of passport rights by UK firms); or (b) provide services in an <i>EEA State</i> under paragraph 20(1) of Part III of Schedule 3 to the <i>Act</i> (Exercise of passport rights by UK firms); or (c) establish a <i>branch</i> or provide services in an <i>EEA state</i> in the exercise of its <i>EEA right</i> under the <i>auction regulation</i>.
<i>outgoing ECA provider</i>	a <i>firm</i> which: <ul style="list-style-type: none"> (a) provides an <i>electronic commerce activity</i>, from an <i>establishment</i> in the <i>United Kingdom</i>, with or for an <i>ECA recipient</i> present in an <i>EEA State</i> other than the <i>United Kingdom</i>; and (b) is a national of an <i>EEA State</i> or a firm or company mentioned in article 54 of the <i>Treaty</i>.
<i>passport activity</i>	an activity carried on by an <i>EEA firm</i> , or by a <i>UK firm</i> , under an <i>EEA right</i> .
<i>passport right</i>	(in accordance with regulation 2(1) of the <i>Electronic Money Regulations</i>) the entitlement of a <i>person</i> to establish a branch or provide services in an <i>EEA State</i> other than that in which they are authorised to provide <i>electronic money</i> issuance services: <ul style="list-style-type: none"> (a) in accordance with the Treaty on the Functioning of the European Union as applied in the <i>EEA</i>; and (b) subject to the conditions of the <i>Electronic Money Directive</i>.
<i>RAP</i>	a <i>recognised auction platform</i> .

<i>RAP recognition requirements</i>	<p>(1) (in relation to an <i>RAP</i>) any of the requirements applicable to an <i>RAP</i> under the <i>RAP regulations</i>, the <i>auction regulation</i> or <i>MiFIR</i> and any <i>EU regulation</i> adopted under <i>MiFID</i> or <i>MiFIR</i>.</p> <p>(2) (in relation to a <i>UK RIE</i> applying for recognition as an <i>RAP</i>) any of the requirements under the <i>RAP regulations</i>, the <i>auction regulation</i> or <i>MiFIR</i> and any <i>EU regulation</i> adopted under <i>MiFID</i> or <i>MiFIR</i> which, if its application were successful, would apply to it.</p>
<i>RAP regulations</i>	the Recognised Auction Platforms Regulations 2011 (SI 2011/2699).
<i>recognised auction platform</i>	a <i>recognised investment exchange</i> which is declared by a <i>recognition order</i> for the time being in force to be a <i>recognised auction platform</i> .
<i>relevant competent authorities</i>	(in relation to a <i>financial conglomerate</i>) those <i>competent</i> authorities which are, or which have been appointed as, relevant <i>competent</i> authorities in relation to that <i>financial conglomerate</i> under Article 2(17) of the <i>Financial Groups Directive</i> (Definitions).
<i>relevant EEA details</i>	the details listed in regulation 14 of the <i>EEA Passport Rights Regulations</i> and set out in SUP 13 Annex 1 (Requisite details or relevant details: branches).
<i>resolution authority</i>	<p>(a) (in the <i>UK</i>) the Bank of England; or</p> <p>(b) (in another <i>EEA State</i>) an authority designated as a resolution authority by that <i>EEA State</i> under article 3 of <i>RRD</i>.</p> <p>[Note: article 2(1)(18) of <i>RRD</i>]</p>
<i>service conditions</i>	<p>in accordance with paragraph 14 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) the conditions that:</p> <p>(a) the <i>firm</i> has given its <i>Home State regulator</i> notice of its intent to provide services in the <i>United Kingdom</i>;</p> <p>(b) if the <i>firm</i> falls within paragraph (a), (d), (e) or (f) in the definition of “<i>EEA firm</i>”, the <i>FCA</i> or the <i>PRA</i> (as the case may be) has received notice from the <i>firm’s Home State regulator</i> containing such information as may be prescribed;</p> <p>(c) if the <i>firm</i> falls within paragraph (d), (e), (h) or (i) of that definition, its <i>Home State regulator</i> has informed it that the regulator’s notice has been sent to the <i>FCA</i> or the <i>PRA</i> (as the case may be); and</p> <p>(d) if the <i>firm</i> falls within paragraph (i) of that definition, one <i>month</i> has elapsed beginning with the date on which the <i>firm’s Home</i></p>

State regulator informed the *firm* that it had sent the regulator's notice to the *FCA* or the *PRA* (as the case may be).

<i>significant branch</i>	a <i>branch</i> that would be considered significant in a <i>Host State</i> under article 51(1) of <i>CRD</i> . [Note: article 2(1)(340) of <i>RRD</i>]
<i>third-country SMCR banking firm</i>	a <i>firm</i> identified as a third-country SMCR banking firm in the decision tree in <i>SYSC 23 Annex 1</i> (Definition of SMCR firm and different types of SMCR firms) and Part Four of that Annex.
<i>tied agent passport notification</i>	a notification made in accordance with article 35(2) of <i>MiFID</i> and <i>MiFID ITS 4 Annex VII</i> .
<i>top-up cover</i>	cover provided by the <i>compensation scheme</i> for <i>claims</i> against an <i>incoming EEA firm</i> which has elected to participate in accordance with section 214(5) of the <i>Act</i> , regulation 3 of the <i>Electing Participants Regulations</i> (Persons who may elect to participate) and <i>COMP 14</i> (Participation by EEA firms).
<i>top-up permission</i>	a <i>Part 4A permission</i> given to an <i>incoming EEA firm</i> , an <i>incoming Treaty firm</i> or a <i>UCITS qualifier</i> .
<i>Treaty activity</i>	(as defined in section 417(1) of the <i>Act</i> (Definitions)) an activity carried on under a <i>permission</i> obtained in accordance with Schedule 4 to the <i>Act</i> (Treaty Rights).
<i>Treaty firm</i>	(as defined in paragraph 1 of Schedule 4 to the <i>Act</i> (Treaty Rights)) a <i>person</i> : (a) whose head office is situated in an <i>EEA State</i> (its " <i>Home State</i> ") other than the <i>United Kingdom</i> ; and (b) which is recognised under the law of that State as its national.
<i>Treaty right</i>	the entitlement of a <i>Treaty firm</i> to qualify for <i>authorisation</i> under Schedule 4 to the <i>Act</i> (Treaty Rights).2001/7
<i>Treaty</i>	the Treaty on the Functioning of the European Union.
<i>two-day emissions spot</i>	the <i>investment</i> specified in article 82A of the <i>Regulated Activities Order</i> (Greenhouse gas <i>emissions allowances</i>), which is in summary an <i>emissions allowance</i> offered for sale on an <i>auction platform</i> as a <i>financial instrument</i> or a <i>two-day emissions spot</i> .
<i>UCITS Home State</i>	the <i>Home State</i> of a <i>UCITS scheme</i> or <i>EEA UCITS scheme</i> .
<i>UCITS qualifier</i>	a <i>firm</i> (other than an <i>EEA UCITS management company</i>) which:

- (a) for the time being is an *operator, trustee or depositary* of a *scheme* which is a *recognised scheme* under section 264 of the *Act*; and
- (b) is an *authorised person* as a result of paragraph 1(1) of Schedule 5 to the *Act* (Persons Concerned in Collective Investment Schemes);

a reference to a *firm* as a *UCITS qualifier* applies in relation to the carrying on by the *firm* of activities for which it has *permission* in that capacity.

UK-deposit insurer

a *non-EEA insurer* that has made a deposit in the *United Kingdom* under article 162(2)(e) of the *Solvency II Directive* in accordance with article 167 of that Directive.

UK ELTIF

an *ELTIF* authorised by the *FCA* under the *ELTIF regulation*.

UK MiFID investment firm

a *MiFID investment firm* whose *Home State* is the *United Kingdom* (this may include a natural *person* provided the conditions set out in Article 4(1)(1) of *MiFID* are satisfied).

UK parent mixed financial holding company in a member state

a *parent mixed financial holding company in a Member State* where the *EEA State* in question is the *UK*.

UK regulated EEA financial conglomerate

a *financial conglomerate* (other than a *third-country financial conglomerate*) that satisfies one of the following conditions:

- (a) *GENPRU 3.1.29R* (Capital adequacy calculations for *financial conglomerates*) applies with respect to it; or
- (b) a *firm* that is a member of that *financial conglomerate* is subject to obligations imposed through its *Part 4A permission* to ensure that *financial conglomerate* meets levels of capital adequacy based or stated to be based on Annex I of the *Financial Groups Directive*.