

*Regulations made by the Treasury, laid before Parliament under paragraph 5(3) of Schedule 7 to the European Union (Withdrawal) Act 2018, for approval by resolution of each House of Parliament within 28 days beginning with the day on which the Regulations were made, subject to extension for periods of adjournment for more than four days or periods of dissolution or prorogation.*

---

STATUTORY INSTRUMENTS

---

**2019 No. 1370**

**EXITING THE EUROPEAN UNION**

**FINANCIAL SERVICES AND MARKETS**

**The Cross-Border Distribution of Funds, Proxy Advisors,  
Prospectus and Gibraltar (Amendment) (EU Exit) Regulations  
2019**

*Made - - - - at 10:45 a.m. on 22nd October 2019*

*Laid before Parliament at 4:00 p.m. on 22nd October 2019*

*Coming into force in accordance with regulation 1*

The Treasury, in exercise of the powers conferred by section 8(1) of, and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018<sup>(a)</sup>, make the following Regulations.

The Treasury are of the opinion that, by reason of urgency, it is necessary to make these Regulations without a draft of the instrument being laid before, and approved by a resolution of, each House of Parliament<sup>(b)</sup>.

**PART 1**

General provision

**Citation and commencement**

**1.**—(1) These Regulations may be cited as the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019.

(2) This regulation and regulations 2, 3 and 4 come into force immediately before exit day.

(3) The remainder of these Regulations come into force on exit day.

---

<sup>(a)</sup> 2018 c.16.

<sup>(b)</sup> Paragraph 5(2) of Schedule 7 to the European Union (Withdrawal) Act 2018.

## PART 2

### Amendment of secondary legislation

#### **Amendment of the Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019**

2. In regulation 12(2)(a) (substitution of Article 32(1)) of the Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019(a), for “31 December 2019” substitute “31 December 2021”.

#### **Amendment of the Gibraltar (Miscellaneous Amendments) (EU Exit) Regulations 2019**

3. In regulation 11(5) (saving for certain financial services legislation relating to Gibraltar) of the Gibraltar (Miscellaneous Amendments) (EU Exit) Regulations 2019(b), after sub-paragraph (z2)(c) insert—

“(z3) regulations 6 and 7 of the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019;

(z4) the Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) (No. 2) Regulations 2019”.

#### **Amendment of the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019**

4. In regulation 69 (amendment of European Parliament and Council Regulation (EU) 2017/1129) of the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019(d), for the words from “the following provisions are omitted” to the end substitute “, omit Article 3(2).”.

#### **Amendment of the Proxy Advisors (Shareholders’ Rights) Regulations 2019**

5.—(1) The Proxy Advisors (Shareholders’ Rights) Regulations 2019(e) are amended as follows.

(2) Regulation 2 (interpretation) is amended in accordance with paragraphs (3) and (4).

(3) In paragraph (1), in the definition of “proxy advisor”—

(a) in paragraph (b)—

(i) in sub-paragraph (i), omit “or another EEA State,”;

(ii) for sub-paragraph (ii) substitute—

“(ii) the shares are admitted to trading on a UK regulated market or a Gibraltar regulated market; and”.

(b) in paragraph (c), in sub-paragraph (ii), omit “or any other EEA State”;

(4) In paragraph (2)—

(a) in paragraph (a), after “companies” insert “as in force immediately before exit day”;

(b) for sub-paragraph (b) substitute—

“(b) in the definition of “proxy advisor”, in paragraph (b)—

---

(a) S.I. 2019/403.

(b) S.I. 2019/680.

(c) Subparagraph (z2) was inserted by regulation 29 of S.I. 2019/1234.

(d) S.I. 2019/707 has been amended by S.I. 2019/1234.

(e) S.I. 2019/926.

- (i) “regulated market” means a multilateral system operated 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 or systems;
- (ii) “UK regulated market” means a regulated market which is a recognised investment exchange under section 285 of the Act, but not an overseas investment exchange within the meaning of section 313(1) of the Act;
- (iii) “Gibraltar regulated market” means a regulated market which is authorised and functions regularly and in accordance with Part 3 of the Financial Services (Markets in Financial Instruments) Act 2018 of Gibraltar<sup>(a)</sup> (as amended from time to time);
- (iv) “shareholder” has the meaning given by Article 2.1(e) of the transparency obligations directive (within the meaning given in section 103(1) of the Act<sup>(b)</sup>) as in force immediately before exit day.”.

(5) In regulation 22 (application of Part 11 of the Act), omit paragraph (8)(b).

(6) In regulation 26 (application of Part 26 of the Act), in paragraph (5)(b), for “(7A) to (8F)” substitute “(8) to (8E)”<sup>(c)</sup>.

(7) In regulation 30 (interpretation of Part 6), in both paragraphs (a) and (b), omit “or another EEA State.”.

## PART 3

### Amendment or revocation of retained direct EU legislation

#### **Amendment of Regulation (EU) No 2017/1129**

**6.**—(1) Article 1 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<sup>(d)</sup> is amended as follows.

(2) In paragraph 3—

(a) in the first subparagraph—

- (i) omit “to the second subparagraph of this paragraph and”, and
- (ii) for “Union” substitute “United Kingdom”;

(b) omit the second subparagraph.

(3) Paragraph 5 is amended in accordance with paragraphs (4) and (5).

(4) In the first subparagraph, in point (c), before “Article 53(2)” insert “the UK law which implemented”.

(5) In the second subparagraph—

(a) for point (a) substitute—

“(a) where a prospectus was drawn up in accordance with—

- (i) before exit day, either this Regulation as it had effect immediately before exit day or Directive 2003/71/EU; or

---

<sup>(a)</sup> L.N. 2017/135.

<sup>(b)</sup> The definition of “transparency obligations directive” was inserted by section 1265 of the Companies Act 2006 (c. 46) and amended by S.I. 2012/1538 and 2015/1755.

<sup>(c)</sup> Section 391(8) to (8E) are amended by S.I. 2014/2879, 2016/680, 2016/715, 2017/1127 and 2019/632.

<sup>(d)</sup> Relevant amending instruments are S.I. 2019/707 and 2019/1234.

- (ii) on or after exit day, this Regulation, upon the offer to the public or admission to trading on a regulated market of the securities giving access to the shares;”.
- (b) in point (d)—
  - (i) For “Section 3” substitute “the UK law which implemented Section 3”,
  - (ii) For “the Solvency Capital Requirement” substitute “the UK law which implemented the Solvency Capital Requirement”, and
  - (iii) For “the group solvency requirement” insert “the UK law which implemented the group solvency requirement”.

### **Revocation of Regulation (EU) 2019/1156**

7.—(1) Regulation (EU) 2019/1156 of the European Parliament and of the Council of 20 June 2019 on facilitating cross-border distribution of collective investment undertakings and amending Regulations (EU) No 345/2013, (EU) No 346/2013 and (EU) No 1286/2014 (“the 2019 Regulation”) is revoked.

(2) Nothing in the revocation effected by paragraph (1) affects the amendments made by Article 17 of the 2019 Regulation to 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).

*David Rutley  
Rebecca Harris*

At 10.45 a.m. on 22nd of October 2019

Two of the Lords Commissioners of Her Majesty’s  
Treasury

### **EXPLANATORY NOTE**

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

These Regulations are made in exercise of the powers in section 8(1) of the European Union (Withdrawal) Act 2018 (c.16) in order to address failures of retained EU law to operate effectively (see in particular paragraphs (a) to (e) and (g) of section 8(2) of that Act) and other deficiencies arising from the withdrawal of the United Kingdom from the European Union, and to make consequential changes.

Part 2 contains amendments to UK secondary legislation.

Regulation 2 ensures that an amendment made by the 2019 Regulation (as defined in regulation 7(1) of these Regulations) to 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) is retained after exit day.

Regulation 3 adds regulations 6 and 7 of these Regulations and the Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) (No. 2) Regulations 2019 to the list of instruments saved with modifications in relation to Gibraltar by the Gibraltar (Miscellaneous Amendments) (EU Exit) Regulations 2019.

Regulation 4 amends the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707) in so far as they amend 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 (“the Prospectus Regulation”).

Regulation 5 amends the Proxy Advisors (Shareholders’ Rights) Regulations 2019 (S.I. 2019/926).

Part 3 contains amendments to retained EU law, as defined by section 6(7) of the European Union (Withdrawal) Act 2018.

Regulation 6 amends the Prospectus Regulation.

Regulation 7 revokes the 2019 Regulation.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.