

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

11 January 2019

Re: Brexit: UK FCA Temporary Permissions Regime

Background

We have been informed by the UK Financial Conduct Authority (“FCA”) that fund managers and investment firms (hereunder referred to as “Maltese Licensed Entities”) currently passporting into the UK need to apply to FCA under the Temporary Permissions Regime (“TPR”) in order to enable such entities to continue their regulated business within the scope of their current permissions in the UK. This is for a limited time period after the UK leaves the EU on exit day and this permission would apply until Maltese Licensed Entities can seek full authorisation from the FCA. The TPR enables Maltese Licensed Entities to continue operating in the UK if the passporting regime ceases to apply when the UK exits the EU.

Please note that if there will be no implementation period¹, when the UK exits from the EU, the UK will become a ‘third-country’ in relation to the EU passporting regime, meaning that the EU investment firms and fund managers will no longer be able to passport into the UK.

Notification Procedure

It is pertinent to note that Maltese Licensed Entities currently passporting into the UK and intending to continue offering their services in the UK are urged to apply for the TPR via the FCA ‘Connect system’. Fund managers also need to notify FCA of the passported funds they wish to continue to market in the UK. Further details on the Connect system can be found at: <https://www.fca.org.uk/firms/connect>

¹ Implementation period (also transition period) is a period of standstill during which the current trading arrangements between the EU and UK will continue to apply. The implementation period will be introduced only if the withdrawal agreement between the EU and UK is reached. The transition period is intended to last until 31 December 2020.

The notification window will expire on **28 March 2019**. In this regard, Maltese Licensed Entities are urged to take prompt action to ensure that they can continue their business with minimal disruption. The notification procedure is **free of charge**. Specifically, fund managers that have not submitted a notification for a fund will be **unable** to use the temporary permissions marketing regime for that fund. They will not be able to continue marketing that fund in the UK on the same basis as they did before exit day.

For more information on the Temporary Permissions Regime see:

<https://www.fca.org.uk/brexit/temporary-permissions-regime>

For detailed information on the rules which will apply to Maltese Licensed Entities under the TPR, see:

<https://www.fca.org.uk/news/news-stories/notification-window-temporary-permissions-regime-now-open>

Contacts

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