*Draft Regulations laid before Parliament under sections 4(9) and 84(3) and (5) of the Financial Services and Markets Act 2023, for approval by resolution of each House of Parliament.*

D R A F T  S T A T U T O R Y  I N S T R U M E N T S

# 2026 No.

# FINANCIAL SERVICES AND MARKETS

## The Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026

| | |
|---|---|
| *Made - - - -* | *** |
| *Coming into force - -* | *1st January 2027* |

The Treasury make these Regulations in exercise of the powers conferred by sections 4, 84(2) and 86(5) of the Financial Services and Markets Act 2023 ("the Act")(**a**).

A draft of these Regulations has been laid before, and approved by a resolution of, each House of Parliament in accordance with sections 4(9) and 84(3) and (5) of the Act.

## PART 1

### Introduction

**Citation, commencement and extent**

**1.**—(1) These Regulations may be cited as the Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026.

(2) These Regulations come into force on 1st January 2027.

(3) These Regulations extend to England and Wales, Scotland and Northern Ireland.

## PART 2

### Amendments to primary legislation

**Financial Services and Markets Act 2000**

**2.** The Financial Services and Markets Act 2000(**b**) is amended as set out in regulations 3 to 18.

**3.** In section 55PB (requirements relating to general meetings)(**c**)—

(a) in subsection (1)(a), for "investment firm" substitute "Part 4A investment firm";

(**a**) 2023 c. 29.
(**b**) 2000 c. 8.
(**c**) Section 55PB was inserted by S.I. 2016/1239 and amended by S.I. 2021/1376.

(b) in subsection (6), omit the definition of "investment firm".

**4.** For section 71I (sections 71B to 71H: interpretation)(**a**) substitute—

"**71I Sections 71B to 71H: interpretation**

(1) For the purposes of sections 71B to 71H and this section—

"appropriate regulator" means—

(a) in relation to a PRA-authorised person, the PRA;

(b) in relation to any other authorised person, the FCA;

(c) in relation to a parent undertaking that is not an authorised person—

(i) the PRA, where the PRA is the consolidating supervisor in relation to that undertaking;

(ii) the FCA, where the FCA is the consolidating supervisor in relation to that undertaking;

(d) in relation to a financial holding company or mixed financial holding company which is not a parent undertaking—

(i) the PRA, where the holding company is approved by the PRA under Part 12B;

(ii) the FCA in all other cases;

"consolidated situation" has the meaning given in the glossary of the PRA Rulebook;

"consolidating supervisor" means the competent authority responsible for the exercise of supervision on the basis of the consolidated situation of a parent undertaking;

"director" includes, in relation to an undertaking which has no board of directors, a member of the equivalent management body responsible for the management of the undertaking concerned;

"institution" means a credit institution or an investment firm as defined in article 2(1) of the Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348);

"parent undertaking" means an institution, financial holding company or mixed financial holding company which—

(a) is incorporated in, or formed under the law of, any part of the United Kingdom,

(b) is a UK parent, and

(c) either—

(i) has a subsidiary which is an institution, or

(ii) holds a participation in an institution;

"relevant firm" means—

(a) a bank as defined in section 2 of the Banking Act 2009,

(b) a building society as defined in section 119 of the Building Societies Act 1986, or

(c) a Part 4A investment firm;

"senior executive", in relation to a relevant firm or a parent undertaking, means a person who—

(a) exercises executive functions within that firm or that undertaking, and

(b) is responsible, and directly accountable to the directors, for the day to day management of that firm or that undertaking.

(2) For the purposes of the definition of "parent undertaking" in subsection (1)—

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(**a**) Section 71I was inserted by S.I. 2016/1239 and amended by S.I. 2019/632, 2020/1406 and 2021/1376.

(a) an institution, financial holding company or mixed financial holding company is a UK parent if it is not itself the subsidiary of an institution, financial holding company or mixed financial holding company set up in the United Kingdom;

(b) an institution, financial holding company or mixed financial holding company ("A") holds a participation in an institution ("B") if—

(i) A owns, directly or indirectly, 20% or more of the voting rights or capital in B, or

(ii) A owns, directly or indirectly, voting rights or capital in B for the purpose of maintaining links with B on a long-term basis which contribute to the activities of A".

**5.** In section 137J (rules about recovery plans: duty to consult)(**a**), in subsection (6), in paragraph (b) of the definition of "institution", omit "as defined in Article 4(1)(2AA) of the capital requirements regulation".

**6.** In section 143A (FCA investment firms)(**b**), for subsection (1) substitute—

"(1) In this Part, "FCA investment firm" means a Part 4A investment firm that—

(a) is not for the time being designated by the PRA under article 3 of the Financial Services and Markets Act 2000 (PRA-regulated Activities) Order 2013 (S.I. 2013/556), and

(b) has its registered office or, if it has no registered office, its head office in the United Kingdom.".

**7.** In section 143B (other terms used in this Part)(**c**), in subsection (1), omit the definition of "investment firm".

**8.** In section 143E (powers to make rules applying to parent undertakings)(**d**), in subsection (2)—

(a) in paragraph (a), omit "(as defined in section 1161(1) of the Companies Act 2006)";

(b) in paragraph (b), for "an investment firm" substitute "a Part 4A investment firm".

**9.**—(1) Section 144B (terms used in this Part)(**e**) is amended as follows.

(2) In subsection (1), for the definition of "CRR firm" substitute—

""CRR firm" means a person that satisfies the following conditions—

(a) it is an authorised person falling within section 31(1)(a) that is—

(i) a credit institution which has permission under Part 4A to carry on the regulated activity of accepting deposits, or

(ii) a designated investment firm;

(b) its registered office, or if it has no registered office, its head office, is in the United Kingdom;

(c) it is not—

(i) a credit union (as defined in section 31(1) of the Credit Unions Act 1979(**f**) or article 2(2) of the Credit Unions (Northern Ireland) Order 1985 (S.I. 1985/1205) (N.I. 12)), or

(ii) a friendly society".

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(**a**) Section 137J was inserted by section 24 of the Financial Services Act 2012 (c. 21) and amended by paragraph 33 of Schedule 2 to the Bank of England and Financial Services Act 2016 (c. 14). The definition of "institution" was inserted by S.I. 2014/3348 and amended by S.I. 2019/632 and 2021/1376.
(**b**) Section 143A was inserted by paragraph 1 of Schedule 2 to the Financial Services Act 2021.
(**c**) Section 143B was inserted by paragraph 1 of Schedule 2 to the Financial Services Act 2021.
(**d**) Section 143E was inserted by paragraph 1 of Schedule 2 to the Financial Services Act 2021.
(**e**) Section 144B was inserted by paragraph 1 of Schedule 3 to the Financial Services Act 2021.
(**f**) 1979 c. 34.

(3) After subsection (2) insert—

"(3) In the definition of "CRR firm" in subsection (1), "accepting deposits" has the meaning given in article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544).".

**10.**—(1) Section 192O (interpretation)(**a**) is amended as follows.

(2) Subsection (1) is amended as set out in paragraphs (3) to (6).

(3) For the definition of "consolidated situation" substitute—

""consolidated situation" has the meaning given in the glossary of the PRA Rulebook;".

(4) Omit the definitions of—

(a) "designated investment firm";

(b) "financial holding company";

(c) "financial institution";

(d) "investment firm";

(e) "mixed financial holding company".

(5) In the definition of "institution", for "an investment firm" substitute "a Part 4A investment firm".

(6) At the appropriate places insert—

""UK parent financial holding company" means a financial holding company which—

(a) is incorporated in, or formed under the law of, any part of the United Kingdom, and

(b) is not—

(i) the subsidiary of a UK authorised person which is a credit institution or a designated investment firm, or

(ii) the subsidiary of a financial holding company or of a mixed financial holding company which is incorporated in, or formed under the law of, any part of the United Kingdom;";

""UK parent mixed financial holding company" means a mixed financial holding company which—

(a) is incorporated in, or formed under the law of, any part of the United Kingdom, and

(b) is not—

(i) the subsidiary of a UK authorised person which is a credit institution or a designated investment firm, or

(ii) the subsidiary of a financial holding company or of a mixed financial holding company which is incorporated in, or formed under the law of, any part of the United Kingdom.".

(7) After subsection (1) insert—

"(1A) For the purposes of the definitions of "UK parent financial holding company" and "UK parent mixed financial holding company" in this section, "UK authorised person" means an authorised person which is incorporated in, or formed under the law of, any part of the United Kingdom.".

(8) In subsection (2)(a), omit ", within the meaning given in Article 4(1)(30) and 4(1)(32) respectively of the capital requirements regulation".

**11.** In section 192Q (application for approval or exemption)(**a**)—

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(**a**) Section 192O was inserted by S.I. 2020/1406. The definition of "consolidated situation" was inserted by S.I. 2021/1376. There are other amending instruments but none is relevant.

(a) in subsection (3)(d)(i), omit "(within the meaning of Article 4(1)(36) of the capital requirements regulation),";

(b) after subsection 4 insert—

"(5) In this section, "qualifying holding" means a direct or indirect holding in an undertaking which—

(a) represents 10% or more of the capital or the voting rights in that undertaking, or

(b) enables a person to exercise a significant influence over the management of that undertaking.".

**12.** In section 237 (other definitions)(**b**), in subsection (2), in the definition of "management company", omit ", as defined in section 1161 of the Companies Act 2006,".

**13.** In section 342 (information given by auditor or actuary to a regulator)(**c**)—

(a) in subsection (6A), for "an investment firm" substitute "a Part 4A investment firm";

(b) omit subsection (8).

**14.** In section 343 (information given by auditor or actuary to a regulator: persons with close links)(**d**)—

(a) in subsection (6A), for "an investment firm" substitute "a Part 4A investment firm";

(b) omit subsection (10).

**15.**—(1) Section 417 (definitions)(**e**) is amended as follows.

(2) In subsection (1), at the appropriate places insert—

""designated investment firm" means a Part 4A investment firm which is for the time being designated by the PRA under article 3 of the Financial Services and Markets Act 2000 (PRA-regulated Activities) Order 2013 (S.I. 2013/556);";

""financial holding company" means a financial institution that satisfies the following conditions—

(a) the financial institution is not a mixed financial holding company,

(b) the subsidiaries of the financial institution are mainly or exclusively credit institutions, designated investment firms or financial institutions, and

(c) at least one of the subsidiaries is a credit institution or a designated investment firm;";

""financial institution" means an undertaking that satisfies the following conditions—

(a) it is—

(i) an undertaking, the principal activity of which is to—

(aa) acquire holdings in another undertaking, or

(bb) carry on one or more of the activities specified in Schedule 19D, or

(ii) an asset management company, and

(b) it is not—

(i) a credit institution,

(ii) a designated investment firm,

(iii) a pure industrial holding company,

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(**a**) Section 192Q was inserted by S.I. 2020/1406.
(**b**) The definition of "management company" was substituted by S.I. 2019/325.
(**c**) Section 342(6A) and (8) was inserted by S.I. 2013/3115. Section 342(8) was amended by S.I. 2019/632.
(**d**) Section 343(6A) and (10) was inserted by S.I. 2013/3115. Section 343(10) was amended by S.I. 2019/632.
(**e**) There are instruments amending section 417 but none is relevant.

(iv) an insurance holding company (as defined in the glossary of the PRA Rulebook), or

(v) a mixed-activity insurance holding company (as defined in the Group Supervision Part of the PRA Rulebook);";

""mixed financial holding company" has the meaning given in regulation 1(2) of the Financial Conglomerates and Other Financial Groups Regulations 2004 (S.I. 2004/1862);";

""Part 4A investment firm" means a person who—

(a) falls within the definition of "investment firm" in section 424A,

(b) has a Part 4A permission to carry on a regulated activity which falls within the definition of "investment services and activities", and

(c) is not a credit institution;";

""PRA Rulebook" means the rulebook published by the PRA containing rules made by that Authority under this Act as the rulebook has effect from time to time;";

""subsidiary" means a subsidiary undertaking within the meaning of section 1162 of, and Schedule 7 to, the Companies Act 2006(**a**);";

""undertaking" has the meaning given in the Companies Act 2006 (see section 1161(1) of that Act);".

(3) Before subsection (2) insert—

"(1B) For the purpose of the definition of "financial holding company" in this section, subject to subsections (1C) and (1D), a financial institution's subsidiaries are mainly credit institutions, designated investment firms or financial institutions where one or more of the following applies—

(a) the financial institution has invested, directly or indirectly, an amount corresponding to more than 50% of its equity capital in holdings of the equity capital of those of its subsidiaries which are credit institutions, designated investment firms or financial institutions;

(b) the financial institution derives more than 50% of its consolidated assets from those of its subsidiaries which are credit institutions, designated investment firms or financial institutions;

(c) the financial institution derives more than 50% of its consolidated revenues from those of its subsidiaries which are credit institutions, designated investment firms or financial institutions;

(d) the PRA has otherwise made a determination that the financial institution's subsidiaries are mainly credit institutions, designated investment firms or financial institutions.

(1C) If it considers that it is desirable to advance one or more of its objectives, the PRA may make a determination that a financial institution's subsidiaries are not mainly credit institutions, designated investment firms or financial institutions regardless of whether any of subsection (1B)(a) to (c) applies.

(1D) The PRA may amend or revoke a determination made under subsection (1B)(d) or (1C).

(1E) For the purpose of the definition of "financial institution" in this section, "asset management company" means—

(a) a person who has a Part 4A permission to carry on the regulated activity of managing a UK UCITS (as specified in article 51ZA of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)),

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(**a**) 2006 c. 46.

(b) a person who has a Part 4A permission to carry on the regulated activity of managing an AIF (as specified in article 51ZC of that Order),

(c) a small AIFM within the meaning of regulation 9 of the Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773) which is registered under Part 3 of those Regulations,

(d) a person who would require a permission or registration described in paragraphs (a), (b) or (c) if its registered office were in the United Kingdom, or

(e) an AIFM (as defined in regulation 4(1) of the Alternative Investment Fund Managers Regulations 2013) (S.I. 2013/1773) which—

(i) has its registered office in a country or territory outside the United Kingdom, and

(ii) is regulated and supervised by the authorities of that country or territory.".

**16.** In section 421A (meaning of "participating interest")(**a**), omit subsection (5).

**17.** In Schedule 3 (EEA Passport Rights), in paragraph 5(c) (EEA firm)(**b**), for "Article 4(1)(26) of the capital requirements regulation" substitute "section 417(1)".

**18.** After Schedule 19C (insurers in financial difficulties: enforcement of contracts), insert Schedule 19D (activities of financial institutions) set out in the Schedule to these Regulations.

**Banking Act 2009**

**19.**—(1) Section 3 (interpretation: other expressions)(**c**) of the Banking Act 2009(**d**) is amended as follows.

(2) In subsection (1)—

(a) for the definition of "own funds" substitute—

""own funds" means the sum of Tier 1 capital and Tier 2 capital;";

(b) at the appropriate places insert—

""Tier 1 capital" has the meaning given in article 25 of Chapter 3 of the Own Funds (CRR) Part of the PRA rulebook;";

""Tier 2 capital" has the meaning given in article 71 of Chapter 3 of the Own Funds (CRR) Part of the PRA rulebook;".

(3) In subsection (4), after "Part" insert ", except in the definitions of "Tier 1 capital" and "Tier 2 capital" in subsection (1),".

(4) After subsection (4) insert—

"(5) In the definitions of "Tier 1 capital" and "Tier 2 capital" in subsection (1), a reference to the PRA rulebook is to the rulebook published by the PRA containing rules made by the PRA under the Financial Services and Markets Act 2000 as the rulebook has effect from time to time.".

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(**a**) Section 421A was inserted by S.I. 2008/948.

(**b**) Paragraph 5 of Schedule 3 was amended by S.I. 2006/3221, 2007/126, 2011/1613, 2013/3115, 2015/575, 2018/546 and 2024/1083.

(**c**) There are instruments amending section 3(1) but none is relevant. Section 3(4) was inserted by S.I. 2018/1394 and amended by S.I. 2021/1376.

(**d**) 2009 c. 1.

# PART 3

## Amendments to secondary legislation

**The Financial Conglomerates and Other Financial Groups Regulations 2004**

**20.**—(1) Regulation 1 (citation, commencement and interpretation) of the Financial Conglomerates and Other Financial Groups Regulations 2004(**a**) is amended as follows.

(2) In paragraph (2)—

(a) after the definition of "the Act" insert—

""ancillary services undertaking" means an undertaking the principal activity of which consists of an activity which is ancillary to the principal activity of a credit institution or a designated investment firm (as defined in section 417 of the Act);

"common management relationship" means a relationship between an undertaking ("U1") and one or more undertakings ("U2") which satisfies the following conditions—

(a) U1 and U2 are not connected in the manner described in section 1162 of the Companies Act 2006, and

(b) either—

(i) U1 and U2 are managed on a unified basis in accordance with a contract between U1 and U2 or the memorandum or articles of association of U2;

(ii) all or most of the members of the bodies responsible for the supervision or management ("management or supervisory bodies") of U1 are members of the management or supervisory bodies of U2;";

(b) after the definition of "financial conglomerate" insert—

""financial institution" has the meaning given in section 417 of the Act;";

(c) in the definition of "financial sector"—

(i) in sub-paragraph (a), omit ", as defined in Articles 4(1)(1), 4(1)(18) and 4(1)(26) of the capital requirements regulation";

(ii) in sub-paragraph (c), for "Article 4(1)(2) of the capital requirements regulation" substitute "section 424A of the Act, that is not a credit institution";

(d) in the definition of "group"—

(i) in sub-paragraph (b), omit "as defined in article 4(1)(35) of the capital requirements regulation";

(ii) in sub-paragraph (c), for "relationship within the meaning of a common management relationship as defined in article 4(1)(38A) of the capital requirements regulation" substitute "common management relationship";

(e) after the definition of "supplementary supervision" insert—

""undertaking" has the meaning given in section 1161 of the Companies Act 2006.".

(3) After paragraph (2) insert—

"(2A) For the purposes of the definition of "group" in this regulation, a parent undertaking or a subsidiary of the parent undertaking ("A") holds a participation in an entity ("B") if—

(a) A owns, directly or indirectly, 20% or more of the voting rights or capital of B, or

(b) A owns, directly or indirectly, voting rights or capital in B for the purpose of maintaining links with B on a long-term basis which contribute to the activities of A.".

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(**a**) S.I. 2004/1862. The definition of "financial sector" was amended by S.I. 2022/854. The definition of "group" was inserted by S.I. 2019/264.

**The Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014**

**21.** In article 1(4) (citation, commencement and interpretation) of the Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014(**a**)—

(a) omit the definition of "Annex 1 activities";

(b) in the definition of "financial holding company", for "points 2 to 12 and 15 of the Annex I activities", substitute "Schedule 19D of the Act".

**The Bank Recovery and Resolution (No. 2) Order 2014**

**22.**—(1) Article 2 (interpretation) of the Bank Recovery and Resolution (No. 2) Order 2014(**b**) is amended as follows.

(2) In paragraph (1)—

(a) for the definition of "subsidiary" substitute—

""subsidiary" has the meaning given to "subsidiary undertaking" in section 1162 of the Companies Act 2006;";

(b) for the definition of "UK parent institution" substitute—

""UK parent institution" means a relevant UK authorised person which—

(a) is not the subsidiary of—

(i) a relevant UK authorised person,

(ii) a financial holding company established in the United Kingdom, or

(iii) a mixed financial holding company established in the United Kingdom, and

(b) either—

(i) has a credit institution, a designated investment firm, a financial institution or an ancillary services undertaking as a subsidiary, or

(ii) holds a participation in a credit institution, a designated investment firm, a financial institution or an ancillary services undertaking;".

(3) After paragraph (1) insert—

"(1A) For the purpose of the definition of "UK parent institution" in paragraph (1)—

(a) "ancillary services undertaking" has the meaning given in regulation 1(2) of the Financial Conglomerates and Other Financial Groups Regulations 2004;

(b) "designated investment firm", "financial holding company" and "financial institution" have the meanings given in section 417 of FSMA;

(c) "relevant UK authorised person" means a UK authorised person which is a credit institution or a designated investment firm;

(d) a financial holding company or a mixed financial holding company is established in the United Kingdom if it is incorporated in, or formed under the law of, any part of the United Kingdom;

(e) a relevant UK authorised person holds a participation in a credit institution, a designated investment firm, a financial institution or an ancillary services undertaking ("a relevant firm") if the relevant UK authorised person—

(i) owns, directly or indirectly, 20% or more of the voting rights in the relevant firm, or

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(**a**) S.I. 2014/2080. The definition of "Annex 1 activities" was inserted by S.I. 2019/632. The definition of "financial holding company" was amended by S.I. 2019/632.

(**b**) S.I. 2014/3348. The definition of "UK parent institution" was inserted by S.I. 2018/1394.

(ii) owns, directly or indirectly, voting rights or capital in the relevant firm for the purpose of maintaining links with the relevant firm on a long-term basis which contribute to the activities of the relevant UK authorised person.".

**The Securitisation Regulations 2024**

**23.** In regulation 3(1) (interpretation) of the Securitisation Regulations 2024(**a**)—

(a) at the appropriate place insert—

""excluded arrangement" means a transaction or scheme which—

(i) was entered into or established before 1st January 2027,

(ii) was not a securitisation within the meaning of this regulation (as it applied immediately before 1st January 2027), and

(iii) would not, on and after 1st January 2027, be a securitisation but for the substitution of paragraph (c) of the definition of that term by the Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026;";

(b) in the definition of "securitisation"—

(i) after "transaction or scheme" the first time it occurs, insert "other than an excluded arrangement";

(ii) for paragraph (c) substitute—

"(c) the transaction or scheme does not create exposures which possess all of the following characteristics (regardless of whether the characteristics relate to the legal form or economic substance of the transaction or scheme)—

(i) the exposure is to an entity which was created specifically to finance or operate physical assets (or both),

(ii) the borrowing entity has few or no other material assets or activities, and therefore little or no independent capacity to repay the obligation (apart from the income that the entity receives from the assets being financed),

(iii) the terms of the obligation give the lender a substantial degree of control over the assets and the income that they generate, and

(iv) as a result of paragraphs (i) to (iii), the primary source of repayment of the obligation is the income generated by the assets rather than the independent capacity of a broader commercial enterprise;".

*Name*
*Name*

Date

Two of the Lords Commissioners of His Majesty's Treasury

(**a**) S.I. 2024/102. There are instruments amending regulation 3(1) but none is relevant.

# SCHEDULE

Regulation 18

## Insertion of Schedule 19D to the Financial Services and Markets Act 2000

## "SCHEDULE 19D

Section 417

## Activities of financial institutions

**1.** Lending, including—

(a) providing consumer credit,

(b) entering into credit agreements relating to immovable property,

(c) factoring (with or without recourse), and

(d) financing commercial transactions (including forfeiting).

**2.** Financial leasing.

**3.** Payment services (as defined in regulation 2 of the Payment Services Regulations 2017 (S.I. 2017/752)).

**4.** Issuing and administering means of payment (including travellers' cheques and bankers' drafts) where such activities are not covered by paragraph 3.

**5.** Providing guarantees or entering into commitments.

**6.** Trading for own account or for the account of customers in any of the following—

(a) money market instruments (including cheques, bills and certificates of deposits);

(b) foreign exchange;

(c) financial futures and options;

(d) exchange and interest rate instruments;

(e) transferable securities.

**7.** Participation in securities issues and the provision of services relating to those issues.

**8.** Providing—

(a) advice to undertakings in relation to capital structure, industrial strategy and related matters;

(b) advice and services in relation to the mergers and acquisition of undertakings.

**9.** Money broking.

**10.** Providing portfolio management and advice.

**11.** Safekeeping and administration of securities.

**12.** Issuing electronic money.

**13.** Providing a service or carrying on an activity specified in Part 3 or 3A of Schedule 2 (financial instruments and investment services and activities) to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544) relating to any of the financial instruments specified in Part 1 of that Schedule."

## EXPLANATORY NOTE

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

Section 1 of, and Schedule 1 to, the Financial Services and Markets Act 2023 (c. 29) revokes Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ("the Capital Requirements Regulation"). Article 4 of the Capital Requirements Regulation ("Article 4") sets out definitions of key terms used in that Regulation and other legislation. The full revocation of Article 4 comes into force on 1st January 2027 by virtue of the Financial Services and Markets Act 2023 (Commencement No. 13) Regulations 2026 (S.I. 2026/174 (C. 17)).

These Regulations restate some of the definitions in Article 4 by amending primary and secondary legislation, and make consequential amendments closely connected with the restatement. The definitions are restated to ensure that the relevant terms used in legislation continue to work.

Part 2 of these Regulations amends the Financial Services and Markets Act 2000 (c. 8) (FSMA 2000) in relation to the following definitions:

— "CRR firm" in section 144B (see regulation 9);

— "UK parent financial holding company" and "UK parent mixed financial holding company" in section 192O (see regulation 10);

— "financial holding company", "financial institution", "mixed financial holding company" and "asset management company" in section 417 (see regulation 15).

Regulation 15 restates the definition of "investment firm" in Article 4 by inserting the new definition of "Part 4A investment firm" into section 417.

Regulation 18 inserts Schedule 19D to FSMA 2000, which restates a subset of activities falling within the definition of "Annex 1 activities" in Article 4.

Regulation 19 amends the definition of "own funds" in section 3 of the Banking Act 2009 (c. 1) and makes related amendments.

Part 3 of these Regulations restates the following definitions by amending secondary legislation:

— "ancillary services undertaking" and "common management relationship" in the Financial Conglomerates and Other Financial Groups Regulations 2004 (S.I. 2004/1862) (see regulation 20);

— "UK parent institution" in the Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348) (see regulation 22).

Regulation 21 makes consequential amendments relating to new Schedule 19D to FSMA 2000 by amending the Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014 (S.I. 2014/2080).

Regulation 23 amends the definition of "securitisation" in the Securitisation Regulations 2024 (S.I. 2024/102).

No impact assessment has been published in respect of these Regulations because no impact, or no significant impact, on the private, voluntary or public sector is foreseen.

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