Draft Order laid before Parliament under paragraph 1(1) of Schedule 7 to the European Union (Withdrawal) Act 2018, 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

2018 No.

EXITING THE EUROPEAN UNION

FINANCIAL SERVICES

The Payment Accounts (Amendment) (EU Exit) Regulations 2018

Made - - - - ***

Coming into force in accordance with regulation 1(2) and (3)

The Treasury make these Regulations in exercise of the powers conferred by section 8(1) of, and paragraph 21(b) of Schedule 7 to, the European Union (Withdrawal) Act 2018(**a**).

In accordance with paragraph 1(1) of Schedule 7 to that Act, a draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament.

PART 1

General

Citation and commencement

1.—(1) These Regulations may be cited as the Payment Accounts (Amendment) (EU Exit) Regulations 2018.

(2) Chapter 2 of Part 2 comes into force on the day after the day on which these Regulations are made.

(3) The remaining provisions come into force on exit day.

(**a**) 2018 c. 16.

PART 2

Amendment of secondary legislation

CHAPTER 1

Amendment of the Payment Accounts Regulations 2015

Amendment of the Payment Accounts Regulations 2015

2. The Payment Accounts Regulations 2015(**a**) are amended as follows.

Substitution of "European Union"

3. In the following provisions, for "European Union" substitute "United Kingdom"—

(a) regulation 23(1) and (2)(a) (eligibility criteria);

(b) regulation 26(2)(d) (framework contracts and termination).

Omission of regulations 5 and 17

4. Omit the following regulations—

(a) regulation 5 (revision of the linked services list);

(b) regulation 17 (facilitation of cross-border account opening for consumers).

Amendment of regulation 2

5. In regulation 2(1) (interpretation), omit the following definitions—

(a) the definition of "EBA";

(b) the definition of "EU standardised terminology".

Amendment of regulation 3

6. In regulation 3 (publication of the linked services list)—

(a) in paragraph (1), for the words before "list" substitute "The Authority must maintain a published";

(b) in paragraph (2)—

(i) after sub-paragraph (a) insert "and";

(ii) omit sub-paragraph (c) and the "and" immediately before it.

Amendment of regulation 4

7. In regulation 4 (periodic review of the linked services list)—

(a) for paragraph (1) substitute—

"(1) The Authority must assess and, where appropriate, update the linked services list—

(a) on or before 30th April 2022; and

(b) at least every 4 years after that date.";

(b) omit paragraph (2).

(**a**) S.I. 2015/2038.

Amendment of regulation 8

8. In regulation 8(1)(b) (fee information document), at the end insert "as amended immediately before exit day".

Amendment of regulation 18

9. In regulation 18(1) (non-discrimination in the provision of payment accounts), for the words from "European Union by reason" to "of the European Union" substitute "United Kingdom by reason of their nationality or place of residence or by reason of sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation".

Amendment of regulation 19

10. In regulation 19 (payment account with basic features)—

(a) in paragraph (1)(c) and (d), in the words before paragraph (i), for the words from "European Union" to the end substitute "United Kingdom in sterling";

(b) after paragraph (3) insert—

"(3A) A payment account with basic features may allow consumers to—

(a) withdraw cash from the account in a country other than the United Kingdom or in a currency other than sterling in the manner specified in paragraph (1)(c)(i) or (ii);

(b) execute a payment transaction specified in paragraph (1)(d)(i), (ii) or (iii) in a country other than the United Kingdom or in a currency other than sterling.".

Amendment of regulation 20

11. In regulation 20 (fees), in paragraph (1), for the words from "the services" to "provided" substitute "a service set out in regulation 19(1) when that service is provided in sterling".

Insertion of regulation 40A

12. After regulation 40 (guidance) insert—

"**Technical standards**

40A. The Authority, after consumer testing, may make technical standards in accordance with Chapter 2A of Part 9A of the Act (technical standards)(**a**) regarding a standardised presentational format of—

(a) the fee information document and its common symbol; and

(b) the statement of fees and its common symbol.".

Amendment of regulation 43

13. In regulation 43 (evaluation)—

(a) in paragraph (1), for the words before sub-paragraph (a) substitute "The Authority must gather information on the following, and supply it to the Treasury on or before 18th July 2020 and at least every 2 years after that date";

(b) omit paragraphs (1)(b) and (2).

(**a**) Chapter 2A of Part 9A of the Act was inserted by S.I. 2018/xxx.

Amendment of Schedule 1

14. In Schedule 1 (content and presentational format of the fee information document)—

(a) for paragraph 1 substitute—

"**Compliance with implementing technical standards**

1. The fee information document must comply with the requirements of—

(a) Commission Implementing Regulation (EU) 2018/34 of 28 September 2017 laying down implementing technical standards with regard to the standardised presentation format of the fee information document and its common symbol according to Directive 2014/92/EU of the European Parliament and of the Council, as amended from time to time; and

(b) any technical standards made by the Authority under regulation 40A (technical standards)(**a**) regarding a standardised presentational format of the fee information document and its common symbol.";

(b) in paragraph 4(e), omit "of the European Union".

Amendment of Schedule 2

15. In Schedule 2 (content and presentational format of the statement of fees), for paragraph 1 substitute—

"**Compliance with implementing technical standards**

1. The statement of fees must comply with the requirements of—

(a) Commission Implementing Regulation (EU) 2018/33 of 28 September 2017 laying down implementing technical standards with regard to the standardised presentation format of the statement of fees and its common symbol according to Directive 2014/92/EU of the European Parliament and of the Council, as amended from time to time; and

(b) any technical standards made by the Authority under regulation 40A (technical standards) regarding a standardised presentational format of the statement of fees and its common symbol.".

Amendment of Schedule 7

16.—(1) In Schedule 7 (application and modification of legislation), Part 1 (application and modification of the Act) is amended as follows.

(2) In paragraph 2 (information gathering and investigations)—

(a) in sub-paragraph (8)(c), after "services" insert "as defined in regulation 2(1) of the Payment Services Regulations 2017(**b**), as amended from time to time";

(b) in sub-paragraph (10)(a)—

(i) omit "in a member State other than the United Kingdom";

(ii) at the end insert ", as it has effect in EU law".

(3) In paragraph 4 (warning notices and decision notices), in sub-paragraph (6)(b)—

(a) omit "(7A),";

(b) after "(8A)" insert ", (8AA)(**c**)".

(**a**) Regulation 40A was inserted by regulation 12 of these Regulations.
(**b**) S.I. 2017/752.
(**c**) Subsection (8AA) was inserted into section 391 of the Financial Services and Markets Act 2000 (c. 16) by S.I. 2018/xxx.

CHAPTER 2

Amendment of the Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018

Amendment of the Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018

17.—(1) The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018(**a**) are amended as follows.

(2) In the Schedule, in Part 1 (EU Regulations for which the FCA is the appropriate regulator), after item 65 insert—

"**Payment Accounts Directive**

65A. Commission Implementing Regulation (EU) 2018/33 of 28 September 2017 laying down implementing technical standards with regard to the standardised presentation format of the statement of fees and its common symbol according to Directive 2014/92/EU of the European Parliament and of the Council(**b**).

65B. Commission Implementing Regulation (EU) 2018/34 of 28 September 2017 laying down implementing technical standards with regard to the standardised presentation format of the fee information document and its common symbol according to Directive 2014/92/EU of the European Parliament and of the Council(**c**).".

PART 3

Revocation of EU legislation

Revocation of Regulation (EU) 2018/32

18. Commission Delegated Regulation (EU) 2018/32 of 28 September 2017 supplementing Directive 2014/92/EU of the European Parliament and of the Council with regard to regulatory technical standards for the Union standardised terminology for most representative services linked to a payment account is revoked.

Name
Name
Date — 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, and paragraph 21(b) of Schedule 7 to, the European Union (Withdrawal) Act 2018 (c. 16) in order to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union (and in particular the deficiencies referred to in paragraphs (a), (c), (d), (f) and (g) of section 8(2)).

(**a**) S.I. 2018/xxx.
(**b**) OJ L6, 11.1.2018, p. 26.
(**c**) OJ L6, 11.1.2018, p. 37.

These Regulations make amendments to legislation in the field of financial services. Part 2 amends secondary legislation. Chapter 1 amends the Payment Accounts Regulations 2015 (S.I. 2015/2038). Chapter 2 amends the Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/xxx) to specify 2 additional EU Regulations for the purposes of Part 2 of S.I. 2018/xxx. Part 3 revokes an EU regulation.

An impact assessment of the effect that this instrument, and other instruments made by HM Treasury under the European Union (Withdrawal) Act 2018 at or about the same time, will have on the costs of business, the voluntary sector and the public sector is available from HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and is published alongside this instrument at www.legislation.gov.uk.

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