*Draft Regulations laid before Parliament under sections 4(9) and 84(5) of the Financial Services and Markets Act 2023 (c. 29), for approval by resolution of each House of Parliament.*

DRAFT STATUTORY INSTRUMENTS

# 2026 No. ****

# FINANCIAL SERVICES AND MARKETS

## The Securitisation (Amendment and Miscellaneous Provisions) Regulations 2026

*Made - - - -* ***

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

The Treasury make these Regulations in exercise of the powers conferred by sections 4(4) and 84(2)(a) of the Financial Services and Markets Act 2023(**a**) and section 85(2)(b) of the Financial Services Act 2012(**b**).

In accordance with sections 4(9) and 84(5) of the Financial Services and Markets Act 2023 a draft of these Regulations has been laid before, and approved by a resolution of, each House of Parliament.

**Citation, commencement and extent**

**1.**—(1) These Regulations may be cited as the Securitisation (Amendment and Miscellaneous Provisions) Regulations 2026.

(2) Subject to paragraph (3), these Regulations come into force on 1st January 2027.

(3) Regulations 2 and 3(2)(b), (4), (11), (13), (14), (17)(a) and (18) come into force on 25th May 2027.

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

**Amendments to the Financial Services Act 2012 (Relevant Functions in relation to Complaints Scheme) Order 2014**

**2.**—(1) The Financial Services Act 2012 (Relevant Functions in relation to Complaints Scheme) Order 2014(**c**) is amended as follows.

(2) In article 2(h) (relevant functions of the FCA)—

(a) for "regulations 22 and 34" substitute "regulation 34";

(**a**) 2023 c. 29.
(**b**) 2012 c. 21; section 85(2) was amended by the Financial Services (Banking Reform) Act 2013 (c. 33), Schedule 10, paragraph 10(2).
(**c**) S.I. 2014/1195; relevantly amended by S.I. 2018/1288, 2024/705, and 2024/1006.

(b) at the end, insert "and its function of preparing and issuing a statement of policy under regulation 46".

(3) In article 3(b) (relevant functions of the PRA), at the end, insert ", other than its function of preparing and issuing a statement of policy under regulation 46".

**Amendments to the Securitisation Regulations 2024**

**3.**—(1) The Securitisation Regulations 2024(**a**) are amended as follows.

(2) In regulation 3(1) (interpretation)—

(a) after the definition of "the EU Securitisation Regulation 2017" insert—

""FCA due-diligence rules" means rules made by the FCA—

(a) by virtue of regulation 5, or

(b) under section 137A of FSMA 200,

relating to due-diligence requirements for institutional investors in relation to securitisations;";

(b) omit the definition of "securitisation repository".

(3) In regulation 13 (overseas simple, transparent and standardised securitisations regime), in paragraph (7A)(a), for "required by regulations 32B and 32C" substitute "for the purposes of complying with any applicable FCA due-diligence rules".

(4) Omit Part 5 (securitisation repositories).

(5) Omit regulation 32A (interpretation of Part 7).

(6) For regulation 32B (due-diligence requirements for occupational pension schemes: before holding a securitisation position), substitute—

**"Due-diligence requirements for occupational pension schemes**

**32B.**—(1) The trustees or managers of an occupational pension scheme who are not the originator, sponsor or original lender must comply with the FCA due-diligence rules as they apply to institutional investors—

(a) before holding, and

(b) while holding,

a securitisation position.

(2) The trustees or managers of an occupational pension scheme are not to be regarded as responsible for a failure to comply with an obligation arising under paragraph (1) where the condition in paragraph (3) is met.

(3) The condition in paragraph (2) is that—

(a) the trustees or managers of an occupational pension scheme—

(i) have given a relevant institutional investor ("P") authority to make investment management decisions that might expose the trustees or managers to a securitisation, and

(ii) have instructed P to fulfil an obligation with which the trustees or managers are required to comply under paragraph (1) in respect of an exposure to a securitisation arising from those decisions, and

(b) P fails to fulfil an obligation to which those instructions relate.

(**a**) S.I. 2024/102; relevantly amended by S.I. 2024/705.

(4) In this regulation "relevant institutional investor" means an institutional investor which is an authorised person.".

(7) Omit regulation 32C (due-diligence requirements for occupational pension schemes: ongoing requirements).

(8) Omit regulation 32D (due-diligence requirements for occupational pension schemes: delegation of investment management decisions).

(9) Omit regulation 33 (rules relating to due-diligence requirements of institutional investors).

(10) In regulation 34 (due-diligence requirements of small registered UK AIFMs as institutional investors), in paragraph (1), for "must" substitute "may".

(11) In regulation 35 (interpretation of Part 8)—

(a) in the definition of "regulated person"—

(i) in paragraph (e), after "SSPE," insert "or";

(ii) in paragraph (f), for ", or" substitute ";";

(iii) omit paragraph (g);

(b) in the definition of "relevant requirement", in paragraph (d), omit ", Part 5 (securitisation repositories)".

(12) In regulation 36A(1) (monitoring and enforcement by Pensions Regulator), for "regulations 8A(2), 32B and 32C" substitute "regulations 8A(2) and 32B".

(13) In regulation 41(1) (public censure), in sub-paragraphs (b) and (c), omit ", other than a securitisation repository," in each place it occurs.

(14) In regulation 42(1) (financial penalties), in sub-paragraphs (b) and (c), omit ", other than a securitisation repository," in each place it occurs.

(15) In regulation 52A (occupational pension schemes: savings relating to pre-commencement securitisations)—

(a) in paragraph (1), for "Regulations 32B to 32D (due diligence requirements for occupational pension schemes) do not apply" substitute "Regulation 32B (due diligence requirements for occupational pension schemes) does not apply";

(b) in paragraph (5), for "regulations 32B and 32C" substitute "regulation 32B".

(16) Omit Schedule A1 (supplementary provision about due diligence requirements for the trustees or managers of an occupational pension scheme).

(17) In Schedule 1 (amendment, or application with modifications, of provisions of FSMA 2000 and secondary legislation made under it)—

(a) in paragraph 9 (FCA rules and guidance)—

(i) in sub-paragraph (1), omit "22 or";

(ii) in sub-paragraph (3), omit paragraph (a);

(b) after paragraph 9 , insert—

**"9A.** Sections 139A (power of the FCA to give guidance)(**a**) and 139B (notification of FCA guidance to Treasury)(**b**) apply to the giving of guidance in relation to rules made under regulation 34(1) of these Regulations as if the references to rules in section 139A include a reference to rules made under regulation 34(1) of these Regulations.";

(**a**) Section 139A was inserted by section 24(1) of the Financial Services Act 2012.
(**b**) Section 139B was inserted by section 24(1) of the Financial Services Act 2012.

(c) after paragraph 15 (consultation in relation to taking of certain enforcement action) insert—

**"Arrangements for discharging functions**

**15A.** Paragraph 8 of Schedule 1ZA to FSMA 2000 (arrangements for discharging functions)(**a**) applies in relation to rules made by the FCA under regulation 34(1) of these Regulations as it applies to rules made under FSMA 2000.".

(18) In Schedule 3 (transitional provisions)—

(a) in paragraph 2, omit sub-paragraph (5);

(b) omit paragraphs 4 and 5;

(c) in paragraph 7—

(i) in sub-paragraph (1), in paragraph (a), omit sub-paragraph (i);

(ii) in sub-paragraph (3), omit "4 or";

(d) omit paragraph 10.

*Name*
*Name*
Two of the Lords Commissioners of His Majesty's Treasury

(**a**) Paragraph 8, Schedule 1ZA was inserted by the Financial Services Act 2012 (c. 21), Schedule 3.

## EXPLANATORY NOTE

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

These Regulations amend the Securitisation Regulations 2024 (S.I. 2024/102) ("the Securitisation Regulations") and the Financial Services Act 2012 (Relevant Functions in relation to Complaints Scheme) Order 2014 (S.I. 2014/1195).

Regulation 2 amends the Financial Services Act 2012 (Relevant Functions in relation to Complaints Scheme) Order 2014 to exclude from the complaints scheme the FCA's and PRA's functions of issuing statements of policy under regulation 46 of the Securitisation Regulations. It also makes a consequential amendment following the omission of regulation 22 of the Securitisation Regulations.

Regulation 3 removes provisions relating to securitisation repositories from the Securitisation Regulations. These include Part 5 of those Regulations, related monitoring and enforcement provisions, provisions applying the Financial Services and Markets Act 2000 (c. 8) ("FSMA 2000") in relation to securitisation repositories, and related transitional provisions. Regulation 3 makes further amendments to the Securitisation Regulations outlined below.

Regulation 3(3) makes a consequential amendment to regulation 13 of the Securitisation Regulations, which concerns the designation of countries and territories in relation to overseas STS securitisations, to reflect the revised due-diligence requirements applying to occupational pension schemes.

Regulation 3(5) omits regulation 32A of the Securitisation Regulations to define "FCA due-diligence rules".

Regulation 3(6) substitutes regulation 32B of the Securitisation Regulations. The substituted regulation requires trustees or managers of occupational pension schemes who are not the originator, sponsor or original lender, before and while holding a securitisation position, to comply with the FCA due-diligence rules as applicable to institutional investors. It also makes provision about responsibility where investment management decisions, and compliance with the relevant due-diligence obligations, are delegated to an authorised institutional investor.

Regulation 3(7) omits regulation 32C, as the ongoing due-diligence requirements are now provided for through substituted regulation 32B and the FCA due-diligence rules.

Regulation 3(8) omits regulation 32D, the substance of which is incorporated into substituted regulation 32B. Regulation 3(12), (15), (16), (17)(a) and (18) make related consequential and transitional amendments.

Regulation 3(9) omits the requirement for the FCA and PRA to make general rules relating to due-diligence requirements of relevant institutional investors, by omitting regulation 33.

Regulation 3(10) changes the requirement for the FCA to make due-diligence rules for small registered UK AIFMs into a power to do so.

Paragraphs (b) and (c) of regulation 3(17) apply, in relation to rules made under regulation 34(1) of the Securitisation Regulations, provisions of FSMA 2000 concerning the giving of guidance by the FCA and arrangements for discharging the FCA's functions.

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. A de minimis impact assessment is available

from HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and is published with the Explanatory Memorandum alongside this instrument on www.legislation.gov.uk.

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