

Dear Mr. Hein and Dr Moraht

UK Temporary Permissions Regime

As we approach the end of the transition period, we will be undertaking further preparations for the launch of the UK's Temporary Permission Regime (TPR) to help mitigate any disruption related to the end of passporting.

We wanted to update you on the work we are conducting in this area. We are also writing to ask for your assistance to help us gather more information as we prepare for firms to operate in the UK as part of the TPR.

The TPR will enable relevant firms and funds which passport into the UK from your jurisdiction to continue operating in the UK from the end of the transition period. The regime will allow firms and investment funds time to obtain authorisation or recognition in the UK, if required. Firms and funds need to notify the FCA of their desire to benefit from the regime, and any solo-regulated firms that have already notified us are now receiving communications from us about how they should prepare. We would be very grateful for your assistance to help facilitate these preparations, specifically, if you could please remind firms in your jurisdiction of the following:

1. For firms that passport into the UK, the notification window for the TPR reopened on 30 September. This will allow any solo-regulated firms and fund managers that have not yet notified to do so. The reopening of the notification window also provides an opportunity for fund managers to update their previously submitted notifications, if necessary. The FCA's passporting team will be in touch shortly to check that all firms from your jurisdiction that have notified for TPR remain authorised.
2. If firms hold a passport and have already notified to be in the TPR, but do not require a UK authorisation because, for example, they are not doing any UK business, they should withdraw their TPR notification and, if they have no existing contracts, also cancel their passport. This is an important message which we would appreciate your help with communicating.
3. Any firms with a passport to the UK that do not enter the TPR, and that require permission to perform an existing contract, will automatically enter the UK's Financial Services Contracts Regime (FSCR), to allow them to wind down their UK business in an orderly fashion. Firms in the FSCR will not be able to write new business in the UK, and we would appreciate you reminding firms of this. More details are available on the [FCA's website](#), and should there be further questions then the FCA's Contact Centre can assist.

We also wanted to bring your and your firms' attention to a recent publication. On 23 September we published a consultation paper on our general expectations for [international firms that require FCA authorisation, which will be needed](#) if they wish to undertake regulated activities in the UK on an on-going basis. It sets out more information on our expectations for that authorisation. All firms seeking a UK authorisation will be expected to have an active place of business in the

UK. As such, we would be grateful if you could draw the consultation paper to the attention of local firms, especially those which currently passport into the UK on a services basis. The consultation closes on 27 November 2020.

Additionally, we are working to gather more information on current EEA passporting firms under single market directives carrying on business in the UK and which have notified for TPR. We are looking to identify any concerns you may have in four areas of interest:

- (i) any concerns regarding the firm's treatment of consumers;
- (ii) any operational resilience concerns;
- (iii) any financial resilience concerns – (as mentioned below we are also planning to survey incoming firms on their financial resilience); and
- (iv) any adverse intelligence you may hold on these firms.

We have attached a spreadsheet listing the firms from your jurisdiction that have notified for TPR to date which also shows the single market directive under which the firm is undertaking business in the UK (and which may also be helpful in providing your responses). Please respond on firms relevant that you regulate. We would be happy to discuss our request with you, if that would be helpful.

We would be very grateful for your assistance in providing any relevant information by **20 November**. We note that any confidential information that you provide to us will be (and will continue to be after the end of the transition period) subject to the restriction on disclosure of confidential information set out in section 348 of the Financial Services and Markets Act 2000 (which implements the single market directive professional secrecy provisions in this regard).¹ We may also contact you in the coming weeks to request supplementary information on specific firms.

Finally, we would like to inform you that we will also be surveying all firms that have notified for the TPR in November, asking them about their financial resilience and solvency position. This forms part of a wider exercise that we have instigated for all UK and foreign firms regulated by the FCA to gather information on these issues in light of the ongoing Covid-19 pandemic.

If you have any questions or concerns please contact Joanna Legg Joanna.Legg2@fca.org.uk or Azhar Rizvi Azhar.Rizvi@fca.org.uk.

Thank you for your help.

Yours sincerely



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¹ Regulation 18 of the Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001 (as amended).