

Statutory Document No. 2019/0097



*European Union and Trade Act 2019*

# **EUROPEAN UNION AND TRADE ACT 2019 (DEFICIENCIES) (ISLE OF MAN FINANCIAL SERVICES AUTHORITY) REGULATIONS 2019**

*Approved by Tynwald: 20<sup>th</sup> March 2019  
Coming into operation in accordance with regulation 2*

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The Council of Ministers makes the following Regulations under section 12 of the European Union and Trade Act 2019.

## **1 Title**

These Regulations are the European Union and Trade Act 2019 (Deficiencies) (Isle of Man Financial Services Authority) Regulations 2019.

## **2 Commencement**

If approved by Tynwald<sup>1</sup> these Regulations come into operation on exit day.

## **3 Interpretation**

In these Regulations “**exit day**” has the same meaning as in the European Union and Trade Act 2019.

## **4 Recognised auditors regulations – definitions amended**

- (1) Regulation 3 (interpretation) of each of the Register of Recognised Auditor Regulations 2010<sup>2</sup>, the Accounting (Recognised Auditors) Regulations 2010<sup>3</sup> and the Public Oversight of Recognised Auditors Regulations 2010<sup>4</sup> is amended as follows.
- (2) Omit the definition of “regulated market”.
- (3) At appropriate points in the alphabetical list, insert the following definitions –

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<sup>1</sup> As required by section 12(1) of the European Union and Trade Act 2019

<sup>2</sup> SD 07/10 as amended

<sup>3</sup> SD 09/10 as amended

<sup>4</sup> SD 08/10 as amended

“exit day” has the same meaning as in the European Union and Trade Act 2019;

“EU regulated market” means a regulated market as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended from time to time by EU law (whether before, on or after exit day);

“UK regulated market” has the meaning given in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012, as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 (of Parliament) and as amended from time to time by that law.

- (4) In the definitions of “exempt company” and “market traded company”, for “a regulated market”, wherever it occurs, substitute a UK regulated market or an EU regulated market.

- (5) For the definition of “transferable securities” substitute —

“transferable securities” —

- (a) in respect of transferable securities which are admitted to trading on an EU regulated market, has the meaning given in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended from time to time by EU law (whether before, on or after exit day);
- (b) in respect of transferable securities which are admitted to trading on a UK regulated market, has the meaning given in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012, as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 (of Parliament) and as amended from time to time by that law.

## 5 Register of Recognised Auditor Regulations 2010 further amended

- (1) The Register of Recognised Auditor Regulations 2010 are further amended as follows.

- (2) In regulation 9 (notifications), for paragraph (1)(d) substitute —

(d) any reasonable grounds it has for suspecting that it or a responsible individual has contravened the law of —

- (i) the Island;
- (ii) the United Kingdom; or

(iii) any EEA state or part of an EEA state which has implemented Directive 2004/39/EC or Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. <sup>5</sup>.

## 6 Public Oversight of Recognised Auditors Regulations 2010 further amended

- (1) The Public Oversight of Recognised Auditors Regulations 2010 are further amended as follows.
- (2) In regulation 7 (matters to be notified by the FRC or the ICAEW), for paragraph (1)(c) substitute —
  - <sup>5</sup>(c) of any reasonable grounds it has for suspecting that a recognised auditor or responsible individual has contravened the law of —
    - (i) the Island;
    - (ii) the United Kingdom; or
    - (iii) any EEA state or part of an EEA state which has implemented Directive 2004/39/EC or Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. <sup>5</sup>.

## 7 Collective Investment Schemes (Definition) Order 2017 amended

- (1) Article 3 (interpretation) of the Collective Investment Schemes (Definition) Order 2017<sup>5</sup> is amended as follows.
- (2) In the definition of “Government and other public securities”, for paragraphs (a) and (b) substitute —
  - <sup>5</sup>(a) the Government of the Island, of the United Kingdom, or of a member state;
  - (b) a local authority in the Island, in the United Kingdom, or in any member state; <sup>5</sup>.

MADE 21<sup>ST</sup> FEBRUARY 2019

**W GREENHOW**  
*Chief Secretary*

<sup>5</sup> SD 2017/0260

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

To reflect the withdrawal of the United Kingdom from the European Union, these Regulations amend –

- (1) the Register of Recognised Auditor Regulations 2010, the Accounting (Recognised Auditors) Regulations 2010 and the Public Oversight of Recognised Auditors Regulations 2010 to –
  - (a) introduce a new definition for “exit day”;
  - (b) replace the definition of “relevant market” with new definitions for “UK regulated market” and “EU regulated market”;
  - (c) amend the definitions of “exempt company”, “market traded company” and “transferable securities”; and
  - (d) make consequential amendments to the notification requirements under regulation 9(1)(d) of the Register of Recognised Auditor Regulations 2010 and regulation 7(1)(c) of the Public Oversight of Recognised Auditors Regulations 2010.
- (2) the Collective Investment Schemes (Definition) Order 2017, by specifying the UK in addition to EU member states in respect of which Government or local authority investments may be issued.