

# TPR now starting from end of Brexit transition period

## AT A GLANCE

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### What's new?

- UK [regulators have confirmed](#) that the [Temporary Permissions Regime \(TPR\)](#), the Financial Services Contracts Regime and the Temporary Recognition Regime (TRR) will all now take effect from the end of the transition period.
- Previously, these measures would only take effect in the event of a No Deal Brexit but these [will now apply following the end of the Brexit transition period](#) on 31 December 2020 (also known as 'IP (implementation period) completion date').
- No other changes to the TPR or other transition powers of the regulators have been made as part of this update. This means that subject to the negotiation between the UK and EU the UK regulators' [previous plans](#) to phase in new regulatory requirements for EEA firms will apply from 1 January 2021.

### What does this mean?

- The TPR and other transitional measures enable EEA firms passporting into the UK prior to Brexit to continue to provide services (or enter into run-off) on a time-limited basis of up to three years while they seek full authorisation in the UK.
- As part of legislation implementing the UK's withdrawal, certain powers, including the TPR designed to begin on Exit Day were amended by [Statutory Instruments](#) to start at the end of the transition period instead.
- This ensures that the possibility of a cliff-edge for passporting firms at the end of the transition period will now be avoided.
- Once in the TPR EEA firms will be treated in the same way as third country firms from a regulatory perspective. This means, subject to an agreement between the UK and EU overriding these plans, EEA firms will be subject to new regulatory requirements from 1 January 2021

(such as transaction reporting to the FCA and FSCS membership) other new regulatory requirements will be phased in.

### What do firms need to do?

- The window for firms or funds wishing to benefit from the TPR or other transitional measures is closed, but the FCA has stated that it will advise later in the year of intentions to reopen this to allow additional firms to make notifications.
- Firms need to understand what new regulatory requirements will apply to them once they enter the TPR and take steps to implement them, some new requirements such as a UK-specific transaction reporting regime may prove challenging. EEA insurers treated as third country branches in the future may also be required to hold UK assets.
- Firms will be advised by the FCA of their landing slot for submitting applications for UK authorisation. The process for applications to the PRA is still to be confirmed

### Next steps

Firms will receive landing slots from the FCA for submitting and completing applications for authorisation in the UK. The FCA will advise when the window to apply for entry into the TPR will be reopened later in 2020.

