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**To** : **Regulated Entities**  
i. CIFs;  
ii. UCITS Management Companies;  
iii. Internally managed UCITS;  
iv. Licensed AIFMs;  
v. Internally managed AIFs qualifying as licensed AIFMs;  
vi. Internally managed AIFs under part II of the AIF Law qualifying as registered AIFMs and bearing the designation “EuVECA” or ‘EuSEF’;  
vii. Internally managed AIFLNs under part VII of the AIF Law bearing the designation “EuVECA” or ‘EuSEF’; and  
viii. Registered AIFMs managing AIFs and/or AIFLNs bearing the designation ‘EuVECA’ or ‘EuSEF’

**From** : **Cyprus Securities and Exchange Commission**

**Date** : **January 22, 2019**

**Circular No** : **C 293**

**Subject** : **Announcement of the United Kingdom’s Financial Conduct Authority on the introduction of a Temporary Permissions Regime**

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The Cyprus Securities and Exchange Commission (‘the **CySEC**’) informs Regulated Entities of an update to the UK’s Temporary Permissions Regime.

The UK’s Financial Conduct Authority (‘the **FCA**’) has announced that it is accepting formal notifications from European Economic Area (‘**EEA**’) firms and investment funds that may wish to make use of the UK’s so-called ‘Temporary Permissions Regime’ (‘**TPR**’). The TPR forms part of the UK’s Brexit contingency planning, in preparation for the possibility that UK exits the EU on 29 March 2019 with no transitional arrangements in place.

The current withdrawal agreement under negotiation provides a transitional implementation period from the 29<sup>th</sup> March 2019 through to the end of December 2020. During this period, EU law remains applicable in the UK. If this agreement comes to pass, EEA firms and investment funds will continue to benefit from passporting arrangements between the UK and the EU. Obligations derived from EU law will continue to apply, and all Regulated Entities must continue with their implementation plans for EU legislation due to come into effect before the end of December 2020.

However, in the event of the UK leaving the EU without a deal (and therefore without entering the implementation period detailed above), the UK will become a 'third country' and the passporting regime will fall away.

The TPR aims to provide a backstop in the event of a no-deal Brexit to ensure EEA firms and investment funds can continue their business with minimal disruption. For regulated entities, it will mean there is a mechanism for them to continue operating in the UK within the scope of their current authorisation. This will apply for a limited period after the UK exits the EU, during which time the Regulated Entities will have to seek full UK authorisation.

For investment funds specifically, operators of EEA UCITS using the TPR will also be able to market 'new sub-funds' in the UK following its exit, subject to certain conditions.

The notification window for entering the TPR regime is open, and closes on the 28 March 2019. It can be accessed through the following link: <https://www.fca.org.uk/firms/connect> .

Regulated Entities that have not submitted a notification will not be able to use the TPR regime. Once the notification window has closed, fund managers that have not submitted a notification for an investment fund will be unable to use the TPR for that fund.

CySEC is committed to making the UK's withdrawal from the EU as straightforward as possible for the entities it regulates, and will provide more information once there is further clarity on the UK's exit process.

Sincerely,

Demetra Kalogerou  
Chairwoman of the Cyprus Securities and Exchange Commission