

Third country access: Helping international firms to service the UK market

Our financial services and regulation practice is committed to helping our international clients navigate the risks and opportunities that their businesses may face when seeking to provide services in the UK.

We have extensive experience of advising firms acting on both a **cross-border basis in reliance upon the UK's Overseas Persons' Regime** and **through a UK branch or subsidiary**, and we can help you navigate these complexities.

We can advise on a wide range of topics, combining legal expertise with advisory and transactional experience offered by our risk consultants, government relations specialists and enforcement experts. Several of our team members have worked at the FCA or the PRA, and we have broad experience of understanding what the UK regulators want, and expect. Our offering is both broad in expertise and highly international in scope, and as part of an unrivalled global network of offices, we are able to provide cross-border advice across all key jurisdictions.



Beyond the temporary permissions regime

What is next for EEA firms operating in the UK?

Following Brexit, European firms that were previously providing services in the UK (either through a UK branch or on a cross-border basis) in reliance upon passporting rights, are able to continue to do so under the UK's temporary permissions regime (TPR) for a period of time. The TPR will expire on 31 December 2023, unless HM Treasury exercises its power to extend the regime. Prior to this, European firms will be assigned "landing slots" taking the form of a direction sent to the firm which will specify a window (usually of 3 months) within which the firm must take one of the following steps:

1. Determine that it can **continue to provide cross-border services in reliance upon the UK's Overseas Persons' Regime**;
2. Apply for **re-authorisation as a UK branch / subsidiary**; or
3. Decide to **cease to provide services to UK-based clients altogether** – firms will have a period of time to wind-down their activities under the UK's Financial Services Contracts Regime.

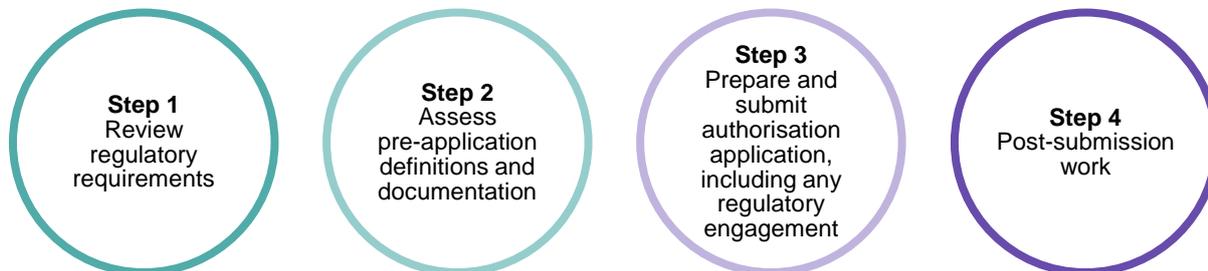
The approach that firms choose to take depends on a range of commercial and regulatory considerations and is fact-specific. However, some of the factors that firms may want to consider are:



Our experience of authorisations

Our financial services and regulation practice has extensive experience of helping to guide clients through the FCA / PRA's authorisation process. Several of our team members have worked at the FCA / PRA and we know what the regulators focus on. We can also leverage the support of our teams across the globe, to help you understand how UK and local law obligations that you are subject to, interact.

In general terms, firms will need to take the following steps to achieve UK authorisation:



When assessing a firm's authorisation application, the FCA / PRA will be particularly interested in the firm's ability to meet the following criteria on an ongoing basis:

- **Legal status:** depending on the activities that a firm wants to carry on in the UK, it may need to be established in a particular way;
- **Physical presence in the UK:** the FCA and PRA will expect firms seeking authorisation to have a physical presence in the UK;
- **Business model:** the firm's strategy for doing business must be suitable in light of the regulated activities it undertakes or seeks to carry on and must not pose a risk to the FCA / PRA's objectives;
- **Prudent conduct of business:** the firm must conduct its business in a prudent matter, which includes having appropriate financial and non-financial resources in relation to the regulated activities it seeks to carry on, having regard to the FCA / PRA's operational objectives;
- **Effective supervision:** the firm must be capable of being effectively supervised by the FCA / PRA; and
- **Suitability:** the firm must satisfy the FCA / PRA that it is 'fit and proper' to conduct the relevant regulated activities. The firm's management must have adequate skills and experience and act with integrity (fitness and propriety). The firm must also have appropriate policies and procedures in place and appropriately manage conflicts of interest.

We help firms to navigate these factors, and understand what they mean for their specific business, both as part of stand-alone advisory mandates and as part of a broader authorisation project.

Our global financial services and regulation practice

With offices in more than 50 cities worldwide, we are truly global. This global presence, combined with extensive experience and knowledge of regional and international regulations and laws, makes us well positioned to help clients wherever they conduct business.



Key contacts



Jonathan Herbst
Global Head of Financial Services
+44 20 7444 3166
jonathan.herbst@nortonrosefulbright.com



Haney Saadah
Head of Risk Consulting
+44 20 7444 2519
haney.saadah@nortonrosefulbright.com



Hannah Meakin
Partner
+44 20 7444 2102
hannah.meakin@nortonrosefulbright.com



Hannah McAslan
Counsel
+44 20 7444 3147
hannah.mcaslan@nortonrosefulbright.com

Resources

For the latest developments in financial risk and regulation, visit our Regulation Tomorrow blog and view our Regulation Tomorrow podcast series:



Law around the world

nortonrosefulbright.com