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The UK Finalises Its Securitisation Regulations



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Following up on a consultation in July 2023 [here](#), the post-Brexit replacement of Regulation (EU) 2017/2402 of the European Parliament and of the Council ("Sec Reg"), the [UK Securitisation Regulations 2024 \(SI 2024/102\)](#) ("SI") was made final on 29 January 2024. While certain of the SI's provisions are in force as of that date, they will come fully into force alongside the new Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA") firm-facing rules on securitisations, the final version of which is expected in Q2 following the conclusion of the consultation period, and the repeal of retained EU law on securitisation.

To recap, the SI creates a new framework within which the FCA and PRA can make rules and switches on the FCA's powers to do so in a way that speak to both the regulated and unregulated in relation to the 'designated activities' described in Regulation 4. This maintains the Sec Reg status quo that all providers of securitisations are subject to its requirements. On the regulatory perimeter, the SI leaves this largely untouched with the exception of moving non-UK alternative investment fund managers outside the definition of institutional investor. On transitional provisions, the explanatory note to the SI clarifies that the FCA and PRA are responsible for most firm-facing requirements for securitisations which existed before the revocation of Sec Reg, while the SI now restates certain relevant transitional measures.
