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## Investment Firm's Prudential Regime Delayed

*Of particular interest to: MiFID Investment Firms (including Collective Portfolio Managers undertaking permitted additional MiFID activities)*

As mentioned in our January Alert (see 'Useful Links') the Investment Firms Regulation and the Investment Firms Directive ('IFR/IFD') proposing a new prudential regime for investment firms were published in the Official Journal. The IFR/IFD is to apply **from 26 June 2021**.

It has been decided that the UK will not be fully implementing the IFR/IFD but will rather "introduce a UK regime that will achieve similar intended outcomes as the IFD/IFR whilst taking into consideration the specifics of the UK market".

The FCA subsequently issued Discussion Paper DP20/2 ('A new UK prudential regime for MiFID investment firms'), inviting feedback by 25 September 2020, with a view to a June 2021 implementation date.

A joint statement issued by HM Treasury, the PRA and the FCA on 16 November has now announced a target implementation date of **1 January 2022**. According to the statement "This follows feedback from industry in relation to these specific proposals and in response to the most recent Regulatory Initiatives Grid (September 2020), where industry raised concerns about the general volume of regulatory reform in 2021".

As to the final shape of the UK's IFR/IFD, firms will be relieved to learn that the statement also advises "HM Treasury will ensure the relevant secondary legislation is in place in good time, and the regulators will endeavour to provide industry with as much sight of the final rules as possible ahead of this date, to support effective implementation".

### Useful Links

[Joint Statement](#)

## [FCA Discussion Paper DP20/2](#)

### [Regulatory Initiatives Grid](#)

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