

SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 5279 GIBRALTAR Thursday 22nd January 2026

LEGAL NOTICE NO. 18 OF 2026

FINANCIAL SERVICES ACT 2019

FINANCIAL SERVICES (CAPITAL REQUIREMENTS) (CONSEQUENTIAL AMENDMENTS) REGULATIONS 2026

In exercise of the powers conferred on the Minister by section 55C, 626 and 627 of the Financial Services Act 2019, the Minister has made these Regulations-

Title.

1. These Regulations may be cited as the Financial Services (Capital Requirements) (Consequential Amendments) Regulations 2026.

Commencement.

2. These Regulations come into operation on 1st February 2026.

Amendment of the Financial Services Act 2019.

3.(1) The Financial Services Act 2019 is amended as follows.

(2) In section 2-

(a) after the definition of “body corporate”, insert-

““Capital Requirements Regulation” means the Capital Requirements Technical Standards, set out in the Annex to the Financial Services (Capital Requirements) (Technical Standards) Regulations 2026;”;

(b) in the definition of “credit institution”, for “4.1(1)” substitute “4(1)”;

(c) in the definition of “financial institution”, for “4.1(26)” substitute “4(1)”.

(3) In section 196(1), in the definition of “credit institution”, for “4.1(1)” substitute “4(1)”.

(4) In section 212(2)(b), for “4.1(118)” substitute “4(1)”.

(5) In section 227, in the definition of “investment firm”, for “4.1(2)” substitute “4(1)”.

- (6) In section 282(1)–
- (a) in the definition of “credit institution”, for “4.1(1)” substitute “4(1)”;
 - (b) in the definition of “financial holding company”, for “4.1(20)” substitute “4(1)”;
 - (c) in the definition of “mixed-activity holding company”, for “4.1(22)” substitute “4(1)”;
 - (d) in the definition of “mixed financial holding company”, for “4.1(21)” substitute “4(1)”;
 - (e) in the definition of “relevant investment firm”, for “2.4” substitute “2(4)”.
- (7) In section 363(10), for “4.1(86)” substitute “4(1)”.
- (8) In section 473, in the definition of “public-interest entity”, for “4.1(1)” substitute “4(1)”.
- (9) In Schedule 1, in paragraph 3, omit the definition of “the Capital Requirements Regulation”.
- (10) In Schedule 13, in paragraph 2(2)(aa), for “Article 4.1(1)(b) of” substitute “sub-paragraph (b) of the definition of credit institution in”.

Amendment of the Financial Services (Credit Institutions and Capital Requirements) Regulations 2020.

4.(1) The Financial Services (Credit Institutions and Capital Requirements) Regulations 2020 are amended as follows.

- (2) For regulation 2(1), substitute–
- “2.(1) In these Regulations, unless the context otherwise requires–
 - “the Act” means the Financial Services Act 2019;
 - “Capital Requirements Regulation” means the Capital Requirements Technical Standards, set out in the Annex to the Financial Services (Capital Requirements) (Technical Standards) Regulations 2026;
 - “competent authority” means the GFSC;
 - “electronic money” has the meaning given in paragraph 12 of Schedule 2 to the Act;
 - “gender neutral remuneration policy” means a remuneration policy based on equal pay for male and female workers for equal work or work of equal value;

“Gibraltar parent financial holding company” means a financial holding company which is not a subsidiary of an institution authorised in Gibraltar or of a financial holding company or mixed financial holding company set up in Gibraltar;

“Gibraltar parent institution” means an institution in Gibraltar–

- (a) which–
 - (i) has an institution, a financial institution or an ancillary services undertaking as a subsidiary; or
 - (ii) holds a participation in an institution, financial institution or ancillary services undertaking; and
- (b) which is not a subsidiary of–
 - (i) another institution authorised in Gibraltar; or
 - (ii) a financial holding company or mixed financial holding company set up in Gibraltar;

“Gibraltar parent mixed financial holding company” means a mixed financial holding company which is not a subsidiary of an institution authorised in Gibraltar, or of a financial holding company or mixed financial holding company set up in Gibraltar;

“institution” means a credit institution with Part 7 permission given in accordance with regulation 8 or an undertaking to which regulation 16C(4) applies;

“internal approaches” means–

- (a) the internal ratings based approach in Article 143(1) of the Capital Requirements Regulation;
- (b) the internal models approach in Article 221 of the Capital Requirements Regulation;
- (c) the own estimates approach in Article 225 of the Capital Requirements Regulation;
- (d) the advanced measurement approaches in Article 312(2) of the Capital Requirements Regulation;
- (e) the internal models method in Articles 283 and 363 of the Capital Requirements Regulation; and
- (f) the internal assessment approach in Article 259(3) of the Capital Requirements Regulation;

“model risk” means the potential loss an institution may incur, as a consequence of decisions that could be principally based on the output of internal models, due to errors in the development, implementation or use of such models;

“Part 7 permission” means permission under Part 7 of the Act;

“the Register” means the register established and maintained by the GFSC in accordance with both Part 4 of the Act and, in relation to activities listed in Schedule 1, regulation 150;

“resolution authority” means the Gibraltar Resolution Authority;

“Securitisation Regulation” means Regulation (EU) 2017/2402;

“senior management” means those individuals who exercise executive functions within an institution and who are responsible, and accountable to the management body, for the day-to-day management of the institution;

“systemic risk” means a risk of disruption in the financial system with the potential to have serious negative consequences for the financial system and the real economy;

“systemically important institution” means a Gibraltar parent institution, a Gibraltar parent financial holding company, a Gibraltar parent mixed financial holding company or an institution the failure or malfunction of which could lead to systemic risk;

“third country” means a country or territory outside Gibraltar;

“third-country group” means a group, the parent undertaking of which is established in a third country;

(1A) In these Regulations, the following expressions have the meaning given in Article 4(1) of the Capital Requirements Regulation–

“ancillary services undertaking”;

“asset management company”;

“authorisation”;

“branch”;

“central banks”;

“close links”;

“consolidated basis”;

“consolidated situation”;

“consolidating supervisor”;

“control”;

“credit risk mitigation”;

“discretionary pension benefits”;

“external credit assessment institution” or “ECAI”;

“financial holding company”;

“financial institution”;

“financial instrument”;

“global systemically important institution” or “G-SII”;

“group”;

“insurance undertaking”;

“investment firm”;

“leverage”;

“mixed activity holding company”;

“mixed financial holding company”;

“operational risk”;

“originator”;

“own funds”;

“parent undertaking”;

“participation”;

“qualifying holding”;

“reinsurance undertaking”;

“risk of excessive leverage”;

“securitisation”;
“securitisation position”;
“securitisation special purpose entity”;
“sponsor”;
“sub-consolidated basis”;
“subsidiary”;
“trading book”.”.

(3) In regulation 16C–

- (a) in the heading, for “Article 4.1(1)(b) CRR” substitute “specified firms as”;
- (b) in sub-regulation (1), for the opening words, substitute–

“(1) An undertaking which falls within sub-paragraph (b) of the definition of credit institution in the Capital Requirements Regulation (the “relevant provision”) and which has Part 7 permission given in accordance with the Financial Services (Investment Services) Regulations 2020 must apply for Part 7 permission in accordance with regulation 8, at the latest when either–”;

- (c) in sub-regulation (3), for “Article 4.1(1)(b) of the Capital Requirements Regulation” substitute “the relevant provision”;
- (d) in sub-regulation (4), for “Article 4.1(1)(b) of the Capital Requirements Regulation” substitute “the relevant provision”.

(4) In regulation 41–

- (a) in sub-regulation (3), omit “Article 4.1(145) of”;
- (b) in sub-regulation (4)(b), omit “Article 4.1(145) of”.

(5) In regulation 51–

- (a) in sub-regulation (18A)(a)(i), omit “Article 4.1(146) of”;
- (b) in sub-regulation (18B)(a)(i), for “Article 4.1(145)(c) to (e) of” substitute “sub-paragraphs (c) to (e) of the definition of small and non-complex institution in”.

(6) In regulation 59, omit sub-regulations (2) and (3).

(7) In regulation 140A–

- (a) in sub-regulation (12)(a), omit “points”;
- (b) in sub-regulation (13)(c), omit “Article”.

(8) In regulation 145(da), for “Article 4.1(1)(b) of the Capital Requirements Regulation and meets the threshold in that Article” substitute “sub-paragraph (b) of the definition of credit institution in Article 4(1) of the Capital Requirements Regulation and meets the threshold in that provision”.

(9) In regulation 176(1), for “the Capital Requirements Regulation” substitute “Regulation (EU) No 575/2013 as it applied on or before 31st December 2020”.

Amendment of the Financial Services (Investment Firms) (Prudential Requirements) Regulations 2021.

5.(1) The Financial Services (Investment Firms) (Prudential Requirements) Regulations 2021 are amended as follows.

(2) In regulation 3–

- (a) in the definition of “asset management company”, for “4.1(19)” substitute “4(1)”;
- (b) in the definition of “credit institution”, for “4.1(1)” substitute “4(1)”;
- (c) for the definition of “CRR”, substitute–

““CRR” means the Capital Requirements Technical Standards, set out in the Annex to the Financial Services (Capital Requirements) (Technical Standards) Regulations 2026;”;

- (d) in the definition of “financial holding company”, for “4.1(20)” substitute “4(1)”;
- (e) in the definition of “financial sector entity”, for “4.1(27)” substitute “4(1)”;
- (f) in the definition of “group of connected clients”, for “4.1(39)” substitute “4(1)”;
- (g) in the definition of “off-balance-sheet item”, for “Annex I” substitute “Schedule 1”;
- (h) in the definition of “participation”, for “4.1(35)” substitute “4(1)”;
- (i) in the definition of “profit”, for “4.1(121)” substitute “4(1)”;
- (j) in the definition of “qualifying central counterparty”, for “4.1(88)” substitute “4(1)”;

- (k) in the definition of “qualifying holding”, for “4.1(36)” substitute “4(1)”;
- (3) In regulation 29(5), in the definition of “trading desk”, for “4.1(144)” substitute “4(1)”.
- (4) In regulation 33(1)(a), for “Annex II” substitute “Schedule 2”.
- (5) In Schedule 2, in paragraph 1, in the definition of “business unit”, for “142.1(3)” substitute “142”.

Dated: 22nd January 2026.

N FEETHAM KC,
Minister with responsibility for Financial Services.

EXPLANATORY MEMORANDUM

These regulations make consequential amendments arising from the revocation of the Capital Requirements Regulation (Regulation (EU) No 575/2013), which has been replaced in domestic law by Technical Standards.