

CHAPTER IV

Economic activities

Section 1. Financial Services

Article 13. Continuity of contracts.

1. Contracts for the provision of banking, securities, insurance or other financial services by virtue of which an entity provides services in Spain while domiciled in the United Kingdom, and authorised or registered by the competent authority of the United Kingdom, which were entered into prior to 1 January 2021, will remain in force under the terms and conditions set out in subparagraphs 2 and 3 of this article, as well as pursuant to the contractual terms and conditions envisaged, providing that the terms and conditions do not contravene the provisions of such subparagraphs.

2. As from 1 January 2021, the entities referred to in subparagraph 1 will be subject to the regime provided for in sectoral legislation for third-State entities for the provision of banking, securities, insurance or other financial services. A new authorisation must be obtained in the following cases:

a) For the renewal of contracts entered into prior to 1 January 2021.

b) For incorporation of amendments into the contracts concluded before 1 January 2021, which entail the provision of new services in Spain or which affect the essential obligations of the parties.

c) In those cases where the activities linked to the management of the contracts require authorisation.

d) For the execution of new contracts.

Activities arising from the management of contracts concluded prior to 1 January 2021 that do not meet any of the criteria set out in points a) to c) above will not require a new authorisation.

3. Without prejudice to the provisions of the preceding paragraph, the authorisation or registration initially granted by the competent UK authority to the entities referred to in subparagraph 1 will remain valid on a provisional basis, until 30 June 2021, in order to carry on the necessary activities for an orderly termination or transfer of the contracts, concluded prior to 1 January 2021, to entities duly

authorised to provide financial services in Spain, under the contractual terms and conditions envisaged.

In the case of insurers, the period referred to in this subparagraph may be extended until 31 December 2022, to manage any outstanding portfolios of insurance contracts that may be in the process of closing business, providing that the insurer submits a contingency plan, and it is expressly authorised by the Directorate-General for Insurance and Pension Funds.

4. The Bank of Spain, the Spanish National Securities Market Commission and the Directorate-General for Insurance and Pension Funds, within their sphere of competence, will have the relevant supervisory powers and, in particular, may request the entities referred to subparagraph 1 to provide any documentation or information or to take such steps as may be necessary.

In the event that the request is not satisfactorily met within the period granted for such purpose, the supervisory authorities may render ineffective, vis-à-vis the entity concerned, the provisional validity. In such case, the entity concerned will be notified that it is carrying on a reserved activity without authorisation and will be subject to the sanctioning regime of the Spanish regulations applicable in the event of engaging in reserved activities without authorisation.

5. The Bank of Spain, the Spanish National Securities Market Commission and the Directorate-General for Insurance and Pension Funds will adopt, within their respective spheres of competence, such measures as may be appropriate to ensure legal certainty and to safeguard the interests of users of financial services that may be affected by Brexit.