

Status: Point in time view as at 01/06/2010.

Changes to legislation: Financial Services and Markets Act 2000, SCHEDULE 6 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES^{F1F1}

SCHEDULE 6

Section 41.

THRESHOLD CONDITIONS

Modifications etc. (not altering text)

C1 Sch. 6 modified (3.9.2001) by S.I. 2001/2507, arts. 1(1), 3(1); S.I. 2001/2632, art. 2(2), Sch. Pt. 2

PART I

PART IV PERMISSION

Legal status

- 1 (1) If the regulated activity concerned is the effecting or carrying out of contracts of insurance the authorised person must be a body corporate [^{F1}(other than a limited liability partnership)], a registered friendly society or a member of Lloyd's.
- (2) If the person concerned appears to the Authority to be seeking to carry on, or to be carrying on, a regulated activity constituting accepting deposits [^{F2}or issuing electronic money] , it must be—
- (a) a body corporate; or
 - (b) a partnership.

Textual Amendments

- F1** Words in Sch. 6 para. 1(1) inserted (3.9.2001) by S.I. 2001/2507, arts. 1(1), 2; S.I. 2001/2632, art. 2(2), Sch. Pt. 2
- F2** Words in Sch. 6 para. 1(2) inserted (11.4.2002) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2002 (S.I. 2002/682), art. 8

Location of offices

- 2 (1) [^{F3}Subject to [^{F4}sub-paragraphs (2A) and (3)],] if the person concerned is a body corporate constituted under the law of any part of the United Kingdom—
- (a) its head office, and
 - (b) if it has a registered office, that office,
- must be in the United Kingdom.
- (2) If the person concerned has its head office in the United Kingdom but is not a body corporate, it must carry on business in the United Kingdom.

Status: Point in time view as at 01/06/2010.

Changes to legislation: Financial Services and Markets Act 2000, SCHEDULE 6 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

[^{F5}(2A) If—

- (a) the regulated activity concerned is any of the investment services and activities, and
 - (b) the person concerned is a body corporate with no registered office,
- sub-paragraph (2B) applies in place of sub-paragraph (1).

(2B) If the person concerned has its head office in the United Kingdom, it must carry on business in the United Kingdom.]

[^{F6}(3) If the regulated activity concerned is an insurance mediation activity, sub-paragraph (1) does not apply.

(4) If the regulated activity concerned is an insurance mediation activity, the person concerned—

- (a) if he is a body corporate constituted under the law of any part of the United Kingdom, must have its registered office, or if it has no registered office, its head office, in the United Kingdom;
- (b) if he is a natural person, is to be treated for the purposes of sub-paragraph (2), as having his head office in the United Kingdom if his residence is situated there.

(5) “Insurance mediation activity” means any of the following activities—

- (a) dealing in rights under a contract of insurance as agent;
- (b) arranging deals in rights under a contract of insurance;
- (c) assisting in the administration and performance of a contract of insurance;
- (d) advising on buying or selling rights under a contract of insurance;
- (e) agreeing to do any of the activities specified in sub-paragraph (a) to (d).

(6) Paragraph (5) must be read with—

- (a) section 22;
- (b) any relevant order under that section; and
- (c) Schedule 2.]

Textual Amendments

- F3** Words in Sch. 6 para. 2(1) inserted (31.10.2004 for certain purposes, otherwise 14.1.2005) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No. 2\) Order 2003 \(S.I. 2003/1476\)](#), arts. 1(3), **19(a)**
- F4** Words in Sch. 6 para. 2(1) substituted (1.4.2007 for certain purposes, otherwise 1.11.2007) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(5), **Sch. 5 para. 24(a)**
- F5** Sch. 6 para. 2(2A)(2B) inserted (1.4.2007 for certain purposes, otherwise 1.11.2007) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(5), **Sch. 5 para. 24(b)**
- F6** Sch. 6 para. 2(3)-(6) inserted (31.10.2004 for certain purposes, otherwise 14.1.2005) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No. 2\) Order 2003 \(S.I. 2003/1476\)](#), arts. 1(3), **19(b)**

Appointment of claims representatives

[^{F7}] (1) If it appears to the Authority that—

Status: Point in time view as at 01/06/2010.

Changes to legislation: Financial Services and Markets Act 2000, SCHEDULE 6 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- ^{F7}2A
- (a) the regulated activity that the person concerned is carrying on, or is seeking to carry on, is the effecting or carrying out of contracts of insurance, and
 - (b) contracts of insurance against damage arising out of or in connection with the use of motor vehicles on land (other than carrier's liability) are being, or will be, effected or carried out by the person concerned,
- that person must have a claims representative in each EEA State other than the United Kingdom.
- (2) For the purposes of sub-paragraph (1)(b), contracts of reinsurance are to be disregarded.
 - (3) A claims representative is a person with responsibility for handling and settling claims arising from accidents of the kind mentioned in Article 1(2) of the fourth motor insurance directive.
 - (4) In this paragraph “fourth motor insurance directive” means Directive [2000/26/EC](#) of the European Parliament and of the Council of 16th May 2000 on the approximation of the laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles and amending Council Directives [73/239/EEC](#) and [88/357/EEC](#).]]

Textual Amendments

- F7** Sch. 6 para. 2A inserted (19.1.2003) by [The Financial Services and Markets Act 2000 \(Variation of Threshold Conditions\) Order 2002 \(S.I. 2002/2707\)](#), [art. 2](#)

Close links

- 3
- (1) If the person concerned (“A”) has close links with another person (“CL”) the Authority must be satisfied—
 - (a) that those links are not likely to prevent the Authority’s effective supervision of A; and
 - (b) if it appears to the Authority that CL is subject to the laws, regulations or administrative provisions of a territory which is not an EEA State (“the foreign provisions”), that neither the foreign provisions, nor any deficiency in their enforcement, would prevent the Authority’s effective supervision of A.
 - (2) A has close links with CL if—
 - (a) CL is a parent undertaking of A;
 - (b) CL is a subsidiary undertaking of A;
 - (c) CL is a parent undertaking of a subsidiary undertaking of A;
 - (d) CL is a subsidiary undertaking of a parent undertaking of A;
 - (e) CL owns or controls 20% or more of the voting rights or capital of A; or
 - (f) A owns or controls 20% or more of the voting rights or capital of CL.
 - (3) “Subsidiary undertaking” includes all the instances mentioned in Article 1(1) and (2) of the Seventh Company Law Directive in which an entity may be a subsidiary of an undertaking.

Status: Point in time view as at 01/06/2010.

Changes to legislation: Financial Services and Markets Act 2000, SCHEDULE 6 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Modifications etc. (not altering text)

C2 Sch. 6 para. 3 restricted (3.9.2001) by S.I. 2001/2507, arts. 1(1), 3(3); S.I. 2001/2632, art. 2(2), Sch. Pt. 2

Adequate resources

- 4 (1) The resources of the person concerned must, in the opinion of the Authority, be adequate in relation to the regulated activities that he seeks to carry on, or carries on.
- (2) In reaching that opinion, the Authority may—
- (a) take into account the person’s membership of a group and any effect which that membership may have; and
 - (b) have regard to—
 - (i) the provision he makes and, if he is a member of a group, which other members of the group make in respect of liabilities (including contingent and future liabilities); and
 - (ii) the means by which he manages and, if he is a member of a group, which other members of the group manage the incidence of risk in connection with his business.

Modifications etc. (not altering text)

C3 Sch. 6 para. 4 restricted (3.9.2001) by S.I. 2001/2507, arts. 1(1), 3(3); S.I. 2001/2632, art. 2(2), Sch. Pt. 2

Suitability

- 5 The person concerned must satisfy the Authority that he is a fit and proper person having regard to all the circumstances, including—
- (a) his connection with any person;
 - (b) the nature of any regulated activity that he carries on or seeks to carry on; and
 - (c) the need to ensure that his affairs are conducted soundly and prudently.

Modifications etc. (not altering text)

C4 Sch. 6 para. 5 restricted (3.9.2001) by S.I. 2001/2507, arts. 1(1), 3(3); S.I. 2001/2632, art. 2(2), Sch. Pt. 2

PART II

AUTHORISATION

Authorisation under Schedule 3

- 6 In relation to an EEA firm qualifying for authorisation under Schedule 3, the conditions set out in paragraphs 1 and 3 to 5 apply, so far as relevant, to—
- (a) an application for permission under Part IV;
 - (b) exercise of the Authority’s own-initiative power under section 45 in relation to a Part IV permission.

Status: Point in time view as at 01/06/2010.

Changes to legislation: Financial Services and Markets Act 2000, SCHEDULE 6 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Authorisation under Schedule 4

- 7 In relation to a person who qualifies for authorisation under Schedule 4, the conditions set out in paragraphs 1 and 3 to 5 apply, so far as relevant, to—
- (a) an application for an additional permission;
 - (b) the exercise of the Authority’s own-initiative power under section 45 in relation to additional permission.

PART III

ADDITIONAL CONDITIONS

- 8 (1) If this paragraph applies to the person concerned, he must, for the purposes of such provisions of this Act as may be specified, satisfy specified additional conditions.
- (2) This paragraph applies to a person who—
- (a) has his head office outside the EEA; and
 - (b) appears to the Authority to be seeking to carry on a regulated activity relating to insurance business.
- (3) “Specified” means specified in, or in accordance with, an order made by the Treasury.

Commencement Information

- I1** Sch. 6 Pt. III para. 8 wholly in force at 3.9.2001; Sch. 6 Pt. III para. 8 not in force at Royal Assent see s. 431(2); Sch. 6 Pt. III para. 8 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), Sch. Pt. 2; Sch. 6 Pt. III para. 8 in force in so far as not already in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), Sch. Pt. 2

- 9 The Treasury may by order—
- (a) vary or remove any of the conditions set out in Parts I and II;
 - (b) add to those conditions.

Commencement Information

- I2** Sch. 6 Pt. III para. 9 wholly in force at 3.9.2001; Sch. 6 Pt. III para. 9 not in force at Royal Assent see s. 431(2); Sch. 6 Pt. III para. 9 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), Sch. Pt. 2; Sch. 6 Pt. III para. 9 in force in so far as not already in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), Sch. Pt. 2

Status:

Point in time view as at 01/06/2010.

Changes to legislation:

Financial Services and Markets Act 2000, SCHEDULE 6 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.