

*These notes refer to the Financial Services and Markets Act
2000 (c.8) which received Royal Assent on 14 June 2000*

FINANCIAL SERVICES AND MARKETS ACT 2000

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part Xxix: Interpretation

Section 420: Parent and subsidiary undertaking

741. The definitions of parent and subsidiary undertaking for the purposes of the Act are consistent with the definitions used in the single market directives.
742. Although individuals are not themselves “undertakings”, it is possible for an individual to have a relationship with an undertaking which would be classified as a parent/subsidiary relationship if they were an undertaking. *Subsection (2)* clarifies that for the purposes of the Act such an individual is to be included as a parent undertaking. The undertaking with whom the individual has a parent/subsidiary relationship is to be included as a subsidiary undertaking.
743. *Subsection (2)* also extends the definitions in relation to EEA bodies to cover any undertaking which would be treated as a parent or subsidiary undertaking under the law of the EEA state where the body is established.