

Status: Point in time view as at 01/10/2018.

Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Connected persons is up to date with all changes known to be in force on or before 23 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)



Financial Services and Markets Act 2000

2000 CHAPTER 8

[^{F1}PART 4A

PERMISSION TO CARRY ON REGULATED ACTIVITIES

[^{F1}Connected persons

Textual Amendments

- F1** Pt. 4A substituted for ss. 40-55 (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 11(2), 122(3)** (with [Sch. 20](#)); [S.I. 2013/113](#), [art. 2\(1\)\(b\)\(c\)](#), [Sch. Pts. 2, 3](#); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)

55R Persons connected with an applicant

(1) In considering—

- (a) an application for a Part 4A permission,
- (b) whether to vary or cancel a Part 4A permission,
- (c) whether to impose or vary a requirement under this Part, or
- (d) whether to give any consent required by any provision of this Part,

the regulator concerned may have regard to any person appearing to it to be, or likely to be, in a relationship with the applicant or a person given permission which is relevant.

(2) Before—

- (a) giving permission in response to an application under section 55A made by a person who is connected with an EEA firm (other than an EEA firm falling within paragraph 5(e) of Schedule 3 (insurance [^{F2}, ancillary insurance] and reinsurance intermediaries)) [^{F3} or “an EEA market operator], or
- (b) cancelling or varying a Part 4A permission given to such a person,

the regulator concerned must in prescribed circumstances consult the firm's [^{F4} or the market operator's] home state regulator.

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- (3) A person (“A”) is connected with an EEA firm if—
- (a) A is a subsidiary undertaking of the firm, or
 - (b) A is a subsidiary undertaking of a parent undertaking of the firm.
- [A person (“P”) is connected with an EEA market operator if—
- ^{F5}(3A) (a) P is an investment firm and is a subsidiary undertaking of the market operator, or
- (b) P is an investment firm and is a subsidiary undertaking of a parent undertaking of the market operator.
- (3B) In subsection (2)—
- “EEA market operator” has the meaning given in section 312D (interpretation of Chapter 3A); and
- “home state regulator”, in relation to an EEA market operator, has the meaning given in section 312D.]
- [Subsection (5) applies where—
- ^{F6}(4) (a) a credit institution (“B”) makes an application for permission under section 55A; and
- (b) B is controlled by a person who also controls a credit institution, insurance undertaking or investment firm authorised in another EEA State.
- (5) Before granting B’s application for permission, the regulator concerned must consult the competent authorities of the other EEA State.
- (6) In subsections (4) and (5), “credit institution”, “insurance undertaking” and “investment firm” have the meaning given in Article 4(1) of the capital requirements regulation.]
- [Subsection (8) applies where—
- ^{F7}(7) (a) an investment firm (“C”) makes an application for permission under section 55A to carry on a regulated activity which is any of the investment services and activities;
- (b) the requirement for C to obtain permission under section 55A to carry on that activity derives from Chapter 1 of Title II of the markets in financial instruments directive; and
- (c) C is controlled by a person who also controls—
- (i) an EEA credit institution,
 - (ii) an EEA investment firm, or
 - (iii) an EEA insurance undertaking.
- (8) Before granting C’s application for permission, the regulator concerned must—
- (a) in a case falling within subsection (7)(c)(i) consult the competent authorities of the other EEA State responsible for the authorisation or supervision of the credit institution;
 - (b) in case falling within subsection (7)(c)(ii) consult the competent authority of the other EEA State responsible for the authorisation of the investment firm;
 - (c) in a case falling within subsection (7)(c)(iii), consult the competent authorities of the other EEA State responsible for the authorisation or supervision of the insurance undertaking.
- (9) In subsections (7)—

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“controls” has the same meaning as in Article 4.1.35(b)(definitions) of the markets in financial instruments directive;

“EEA credit institution” means a credit institution, as defined by Article 4.1.27 of the markets in financial instruments directive, authorised in another EEA State pursuant to Title III of the capital requirements directive;

“EEA insurance undertaking” means an insurance undertaking, as defined by Article 13.1 of the Solvency 2 Directive, authorised in another EEA State;

“EEA investment firm” means an investment firm, as defined by Article 4.1.1 of the markets in financial instruments directive, authorised in another EEA State pursuant to Chapter 1 of Title II of that directive.]]

Textual Amendments

- F2** Words in s. 55R(2)(a) inserted (1.10.2018) by [The Insurance Distribution \(Regulated Activities and Miscellaneous Amendments\) Order 2018 \(S.I. 2018/546\)](#), arts. 1(2), **10(1)**
- F3** Words in s. 55R(2)(a) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 2 para. 5(2)(a)** (with reg. 7)
- F4** Words in s. 55R(2) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 2 para. 5(2)(b)** (with reg. 7)
- F5** S. 55R(3A)(3B) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 2 para. 5(3)** (with reg. 7)
- F6** S. 55R(4)-(6) inserted (1.1.2014) by [The Capital Requirements Regulations 2013 \(S.I. 2013/3115\)](#), reg. 1(2), **Sch. 2 para. 6**
- F7** S. 55R(7)-(9) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 2 para. 5(4)** (with reg. 7)

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