



Financial Services and Markets Act 2000

2000 CHAPTER 8

PART II

REGULATED AND PROHIBITED ACTIVITIES

Financial promotion

21 Restrictions on financial promotion.

- (1) A person (“A”) must not, in the course of business, communicate an invitation or inducement to
 - [^{F1}(a)] engage in investment activity [^{F2}, or
 - (b) to engage in claims management activity.]
- (2) But subsection (1) does not apply if—
 - (a) A is an authorised person; or
 - (b) the content of the communication is approved for the purposes of this section by an authorised person.
- (3) In the case of a communication originating outside the United Kingdom, subsection (1) applies only if the communication is capable of having an effect in the United Kingdom.
- (4) The Treasury may by order specify circumstances in which a person is to be regarded for the purposes of subsection (1) as—
 - (a) acting in the course of business;
 - (b) not acting in the course of business.
- (5) The Treasury may by order specify circumstances (which may include compliance with financial promotion rules) in which subsection (1) does not apply.
- (6) An order under subsection (5) may, in particular, provide that subsection (1) does not apply in relation to communications—
 - (a) of a specified description;

Status: Point in time view as at 01/04/2019.

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- (b) originating in a specified country or territory outside the United Kingdom;
 - (c) originating in a country or territory which falls within a specified description of country or territory outside the United Kingdom; or
 - (d) originating outside the United Kingdom.
- (7) The Treasury may by order repeal subsection (3).
- (8) “Engaging in investment activity” means—
- (a) entering or offering to enter into an agreement the making or performance of which by either party constitutes a controlled activity; or
 - (b) exercising any rights conferred by a controlled investment to acquire, dispose of, underwrite or convert a controlled investment.
- (9) An activity is a controlled activity if—
- (a) it is an activity of a specified kind or one which falls within a specified class of activity; and
 - (b) it relates to an investment of a specified kind, or to one which falls within a specified class of investment.
- (10) An investment is a controlled investment if it is an investment of a specified kind or one which falls within a specified class of investment.
- [^{F3}(10A) “Engaging in claims management activity” means entering into or offering to enter into an agreement the making or performance of which by either party constitutes a controlled claims management activity.
- (10B) An activity is a “controlled claims management activity” if—
- (a) it is an activity of a specified kind,
 - (b) it is, or relates to, claims management services, and
 - (c) it is carried on in Great Britain.]

(11) Schedule 2 (except paragraph 26) applies for the purposes of subsections (9) and (10) with references to section 22 being read as references to each of those subsections.

(12) Nothing in Schedule 2, as applied by subsection (11), limits the powers conferred by subsection (9) or (10).

[^{F4}(12A) Paragraph 25 of Schedule 2 applies for the purposes of subsection (10B) with the references to section 22 in sub-paragraph (3) of that paragraph being read as references to subsection (10B).]

(13) “Communicate” includes causing a communication to be made.

(14) “Investment” includes any asset, right or interest.

(15) “Specified” means specified in an order made by the Treasury.

Textual Amendments

- F1** Words in s. 21(1) renumbered as s. 21(1)(a) (E.W.S.) (6.10.2018) by [Financial Guidance and Claims Act 2018 \(c. 10\)](#), [ss. 27\(3\)\(a\)\(i\)](#), 37(5); S.I. 2018/1045, reg. 2(a)
- F2** S. 21(1)(b) and word inserted (E.W.S.) (6.10.2018) by [Financial Guidance and Claims Act 2018 \(c. 10\)](#), [ss. 27\(3\)\(a\)\(ii\)](#), 37(5); S.I. 2018/1045, reg. 2(a)
- F3** S. 21(10A)(10B) inserted (E.W.S.) (6.10.2018) by [Financial Guidance and Claims Act 2018 \(c. 10\)](#), [ss. 27\(3\)\(b\)](#), 37(5); S.I. 2018/1045, reg. 2(a)

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- F4** S. 21(12A) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(3)(c), 37(5)**; S.I. 2018/1045, reg. 2(a)

Modifications etc. (not altering text)

- C1** S. 21 modified by S.I. 2018/1149, **reg. 58** (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**) (as amended by S.I. 2019/1010, regs. 1(3), **4**; 2020 c. 1, **Sch. 5 para. 1(1)**)
- C2** S. 21 modified by S.I. 2018/1149, **reg. 42** (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **2**)
- C3** S. 21(1) modified (31.10.2001) by S.I. 2001/3374, art. 1, **Sch. para. 6**
- C4** S. 21(1) modified (31.10.2004) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Mortgages) Order 2004 (S.I. 2004/2615), arts. 1(2)(b), 5, **Sch. para. 6**
- C5** S. 21(1) modified (14.1.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004 (S.I. 2004/3351), arts. 1(2)(b), 5, **Sch. para. 6**
- C6** S. 21(1) modified (6.4.2007) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2006 (S.I. 2006/1969), arts. 1(3), 7, **Sch. para. 6**
- C7** S. 21(1) excluded (3.7.2002) by Welsh Development Agency Act 1975 (c. 70), Sch. 1 para. 21 (as substituted) by The Financial Services and Markets Act 2000 (Consequential Amendments) Order 2002 (S.I. 2002/1555), **arts. 1, 6**
- C8** S. 21(1) excluded (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), regs. 1(2)(3)(4)(6), **14(1)** (with reg. 7)
- C9** S. 21(2) modified (30.6.2008 for certain purposes, otherwise 1.1.2009) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2007 (S.I. 2007/3510), arts. 1(2), **8(1)(3)**
- C10** S. 21(2) modified (1.7.2009 for certain purposes, otherwise 30.6.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), **arts. 1(2), 34**, {Sch. paras. 1, 3}
- C11** S. 21(2) modified (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(5), **59(3)**
- C12** S. 21(2) modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **83(5)**

Commencement Information

- I1** S. 21 wholly in force at 1.12.2001; s. 21 not in force at Royal Assent see s. 431(2); s. 21 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 21 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

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