



Financial Services and Markets Act 2000

2000 CHAPTER 8

PART XIX

LLOYD'S

Power to apply Act to Lloyd's underwriting

316 Direction by [^{F1}a regulator]

- (1) The general prohibition or (if the general prohibition is not applied under this section) a core provision applies to the carrying on of an insurance market activity by—
- (a) a member of the Society, or
 - (b) the members of the Society taken together,
- only if [^{F2}a regulator] so directs.

[^{F3}(1A) A direction under subsection (1)—

- (a) may be given by the FCA only if it considers that giving the direction is necessary or expedient for the purpose of advancing one or more of its operational objectives, and
- (b) may be given by the PRA only if it considers that giving the direction is necessary or expedient for the purpose of advancing its general objective or (if section 2C applies) the insurance objective.

(1B) A direction under subsection (1) which applies the general prohibition to a member of the Society, or to the members of the Society taken together, may be given by a regulator only with the consent of the other regulator.]

(2) A direction given under subsection (1) which applies a core provision is referred to in this Part as “an insurance market direction”.

(3) In subsection (1)—

“core provision” means a provision of this Act mentioned in section 317;
and

Status: Point in time view as at 01/03/2016. This version of this provision has been superseded.

Changes to legislation: Financial Services and Markets Act 2000, Section 316 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)

“insurance market activity” means a regulated activity relating to contracts of insurance written at Lloyd’s.

- (4) In deciding whether to give a direction under subsection (1), [^{F4}the regulator concerned] must have particular regard to—
- (a) the interests of policyholders and potential policyholders;
 - (b) any failure by the Society to satisfy an obligation to which it is subject as a result of a provision of the law of another EEA State which—
 - (i) gives effect to [^{F5}the Solvency 2 Directive]; and
 - (ii) is applicable to an activity carried on in that State by a person to whom this section applies;
 - (c) the need to ensure the effective exercise of the functions which [^{F4}the regulator concerned] has in relation to the Society as a result of [^{F6}provision made by or under this Act].
- (5) A direction under subsection (1) must be in writing.
- (6) A direction under subsection (1) applying the general prohibition may apply it in relation to different classes of person.
- (7) An insurance market direction—
- (a) must specify each core provision, class of person and kind of activity to which it applies;
 - (b) may apply different provisions in relation to different classes of person and different kinds of activity.
- (8) A direction under subsection (1) has effect from the date specified in it, which may not be earlier than the date on which it is made.
- (9) A direction under subsection (1) [^{F7}given by a regulator] must be published in the way appearing to [^{F8}the regulator] to be best calculated to bring it to the attention of the public.
- (10) [^{F9}A regulator who gives a direction under subsection (1)] may charge a reasonable fee for providing a person with a copy of the direction.
- (11) [^{F10}A regulator who gives a direction under subsection (1)] must, without delay, give the Treasury a copy of [^{F11}the direction].

Textual Amendments

- F1** Words in s. 316 heading substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 40\(5\)\(g\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F2** Words in s. 316(1) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 40\(5\)\(a\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F3** S. 316(1A)(1B) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 40\(5\)\(b\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F4** Words in s. 316(4) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 40\(5\)\(c\)\(i\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F5** Words in s. 316(4)(b)(i) substituted (1.1.2016) by [The Solvency 2 Regulations 2015 \(S.I. 2015/575\), reg. 1\(2\), Sch. 1 para. 12](#)
- F6** Words in s. 316(4)(c) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 40\(5\)\(c\)\(ii\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

Status: Point in time view as at 01/03/2016. This version of this provision has been superseded.

Changes to legislation: Financial Services and Markets Act 2000, Section 316 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** Words in s. 316(9) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(d)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F8** Words in s. 316(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(d)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F9** Words in s. 316(10) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(e)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F10** Words in s. 316(11) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(f)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F11** Words in s. 316(11) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(f)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

- I1** S. 316 wholly in force at 1.12.2001; s. 316 not in force at Royal Assent see s. 431(2); s. 316(1) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 316 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Status:

Point in time view as at 01/03/2016. This version of this provision has been superseded.

Changes to legislation:

Financial Services and Markets Act 2000, Section 316 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.