

SCHEDULES

SCHEDULE 9

REGULATED SECTOR AND SUPERVISORY AUTHORITIES

PART 1

REGULATED SECTOR

Business in the regulated sector

- 1 (1) A business is in the regulated sector to the extent that it engages in any of the following activities—
- (a) accepting deposits by a person with permission under Part 4 of the Financial Services and Markets Act 2000 (c. 8) to accept deposits (including, in the case of a building society, the raising of money from members of the society by the issue of shares);
 - (b) the business of the National Savings Bank;
 - (c) business carried on by a credit union;
 - (d) any home-regulated activity carried on by a European institution in respect of which the establishment conditions in paragraph 13 of Schedule 3 to the Financial Services and Markets Act 2000, or the service conditions in paragraph 14 of that Schedule, are satisfied;
 - (e) any activity carried on for the purpose of raising money authorised to be raised under the National Loans Act 1968 (c. 13) under the auspices of the Director of Savings;
 - (f) the activity of operating a bureau de change, transmitting money (or any representation of monetary value) by any means or cashing cheques which are made payable to customers;
 - (g) any activity falling within sub-paragraph (2);
 - (h) any of the activities in points 1 to 12 or 14 of Annex 1 to the Banking Consolidation Directive, ignoring an activity described in any of sub-paragraphs (a) to (g) above;
 - (i) business which consists of effecting or carrying out contracts of long term insurance by a person who has received official authorisation pursuant to Article 6 or 27 of the First Life Directive.
- (2) An activity falls within this sub-paragraph if it constitutes any of the following kinds of regulated activity in the United Kingdom—
- (a) dealing in investments as principal or as agent;
 - (b) arranging deals in investments;
 - (c) managing investments;
 - (d) safeguarding and administering investments;
 - (e) sending dematerialised instructions;

Status: This is the original version (as it was originally enacted).

- (f) establishing (and taking other steps in relation to) collective investment schemes;
 - (g) advising on investments.
- (3) Paragraphs (a) and (i) of sub-paragraph (1) and sub-paragraph (2) must be read with section 22 of the Financial Services and Markets Act 2000, any relevant order under that section and Schedule 2 to that Act.
- 2 (1) This paragraph has effect for the purposes of paragraph 1.
- (2) “Building society” has the meaning given by the Building Societies Act 1986 (c. 53).
- (3) “Credit union” has the meaning given by the Credit Unions Act 1979 (c. 34) or the Credit Unions (Northern Ireland) Order 1985 (S.I. 1985/1205 (N.I. 12)).
- (4) “European institution” means an EEA firm of the kind mentioned in paragraph 5(b) or (c) of Schedule 3 to the Financial Services and Markets Act 2000 (c. 8) which qualifies for authorisation for the purposes of that Act under paragraph 12 of that Schedule.
- (5) “Home-regulated activity” in relation to a European institution, means an activity—
- (a) which is specified in Annex 1 to the Banking Consolidation Directive and in respect of which a supervisory authority in the home State of the institution has regulatory functions, and
 - (b) if the institution is an EEA firm of the kind mentioned in paragraph 5(c) of Schedule 3 to the Financial Services and Markets Act 2000, which the institution carries on in its home State.
- (6) “Home State”, in relation to a person incorporated in or formed under the law of another member State, means that State.
- (7) The Banking Consolidation Directive is the Directive of the European Parliament and Council relating to the taking up and pursuit of the business of credit institutions (No. 2000/12 EC).
- (8) The First Life Directive is the First Council Directive on the co-ordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of direct life assurance (No. 79/267/EEC).

Excluded activities

- 3 A business is not in the regulated sector to the extent that it engages in any of the following activities—
- (a) the issue of withdrawable share capital within the limit set by section 6 of the Industrial and Provident Societies Act 1965 (c. 12) by a society registered under that Act;
 - (b) the acceptance of deposits from the public within the limit set by section 7(3) of that Act by such a society;
 - (c) the issue of withdrawable share capital within the limit set by section 6 of the Industrial and Provident Societies Act (Northern Ireland) 1969 by a society registered under that Act;
 - (d) the acceptance of deposits from the public within the limit set by section 7(3) of that Act by such a society;
 - (e) activities carried on by the Bank of England;

- (f) any activity in respect of which an exemption order under section 38 of the Financial Services and Markets Act 2000 has effect if it is carried on by a person who is for the time being specified in the order or falls within a class of persons so specified.