

Order made by the Secretary of State, laid before Parliament under section 2(3) of the Financial Services Act 1986, for approval by resolution of each House of Parliament within 28 days beginning with the day on which the Order was made, subject to extension for periods of dissolution, prorogation or adjournment for more than four days.

STATUTORY INSTRUMENTS

1988 No. 496

FINANCIAL SERVICES

The Financial Services Act 1986 (Extension of Scope of Act and Meaning of Collective Investment Scheme) Order 1988

<i>Made</i>	- - - -	<i>14th March 1988</i>
<i>Laid before Parliament</i>		<i>15th March 1988</i>
<i>Coming into force</i>	- -	<i>25th March 1988</i>

The Secretary of State, in exercise of the powers conferred on him by sections 2 and 75(9) of the Financial Services Act 1986(1), and of all other powers enabling him in that behalf, hereby makes the following Order:—

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Financial Services Act 1986 (Extension of Scope of Act and Meaning of Collective Investment Scheme) Order 1988 and shall come into force on 25th March 1988.

(2) In this Order “the Act” means the Financial Services Act 1986.

Options

2. Paragraph 7 of Schedule 1 to the Act shall be amended by the insertion of “, palladium, platinum” after the word “gold” in sub-paragraph (c) of that paragraph.

Sale of goods and supply of services

3. Paragraph 19 of Schedule 1 to the Act shall be amended by—

- (a) inserting “subject to sub-paragraph (9) below,” before the words “this paragraph” in sub-paragraph (1); and
- (b) adding the following sub-paragraph after sub-paragraph (8)—

- “(9) This paragraph does not have effect where either—
- (a) the customer is an individual; or
 - (b) the transaction in question is the purchase or sale of an investment which falls within paragraph 6 or 10 above or, so far as relevant to either of those paragraphs, paragraph 11 above; or
 - (c) the investments which the supplier manages or offers or agrees to manage consist of investments falling within paragraph 6 or 10 above or, so far as relevant to either of those paragraphs, paragraph 11 above; or
 - (d) the advice which the supplier gives is advice on an investment falling within the paragraph 6 or 10 above or, so far as relevant to either of those paragraphs, paragraph 11 above.”.

Collective investment schemes

4. The references to a collective investment scheme in Schedule 1 to, and elsewhere in, the Act shall be amended by the deletion of section 75(6)(e) and the substitution of the following sub-paragraph—

- “(e) arrangements where the entire contribution of each participant is a deposit within the meaning of section 5 of the Banking Act 1987⁽²⁾ or a sum of a kind described in subsection (3) of that section;”.

14th March 1988

Francis Maude
Parliamentary Under Secretary of State,
Department of Trade and Industry

EXPLANATORY NOTE

(This note is not part of the Order)

This Order extends the scope of the Financial Services Act 1986 in certain respects. Article 2 of the Order makes provision as to options on palladium or platinum. Article 3 makes provision as to the application of paragraph 19 of Schedule 1 where the customer is an individual or the investment concerned is a unit in a collective investment scheme, a long term insurance policy or rights to or interests in an investment of either of those kinds. Article 4 amends the references in the Act to a collective investment scheme in connection with schemes where the contributions of participants are deposits for the purposes of the Banking Act 1987 or certain sums akin to deposits.