
STATUTORY INSTRUMENTS

1991 No. 1256

FINANCIAL SERVICES

**The Financial Services Act 1986
(Delegation) (No. 2) Order 1991**

Made - - - - 23rd May 1991

Coming into force - - 24th May 1991

Whereas it appears to the Secretary of State that The Securities and Investments Board is able and willing to discharge the functions transferred by this Order and that the requirements of Schedule 7 to the Financial Services Act 1986(1) are met with respect to it, and

Whereas the Secretary of State has been furnished by The Securities and Investments Board with a copy of the regulations it proposes to make in the exercise of the functions transferred by this Order, and

Whereas the Secretary of State is satisfied that the regulations which The Securities and Investments Board proposes to make in the exercise of the functions transferred by this Order will afford investors an adequate level of investor protection and comply with the principle set out in paragraph 1A of Schedule 8 to the Financial Services Act 1986 (2), and

Whereas the Secretary of State has required The Securities and Investments Board to furnish him with a copy of any guidance intended to have continuing effect which it proposes to issue in writing or other legible form, and

Whereas the Secretary of State has sent to the Director-General of Fair Trading a copy of the regulations and of any guidance which the Secretary of State is required to consider in making the decision whether he is precluded by section 121(1) of the Financial Services Act 1986 from making this Order together with such other information as the Secretary of State considers will assist the Director-General of Fair Trading in discharging his functions under section 122(2) of that Act, and

Whereas the Secretary of State has had regard to the report made to him by the Director-General of Fair Trading under section 122(2) of the Financial Services Act 1986 in deciding whether he is precluded by section 121(1) of that Act from making this Order, and

Whereas the Secretary of State is satisfied that the regulations and guidance of which copies have been furnished to him under section 114(9) and (10) of the Financial Services Act 1986 do not have, and are not intended or likely to have, to any significant extent the effect of restricting, distorting or preventing competition, and

Whereas a draft of this Order has been approved by resolution of each House of Parliament pursuant to section 114(11) of the Financial Services Act 1986:

(1) 1986 c. 60.

(2) Paragraphs 1 and 1A of Schedule 8 to the Financial Services Act 1986 were substituted for the previous paragraph 1 by section 206(1) of, and paragraph 23 of Schedule 23 to, the Companies Act 1989 (c. 40).

Now, therefore, the Secretary of State in exercise of the powers conferred on him by section 114 of that Act and of all other powers enabling him in that behalf hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Financial Services Act 1986(Delegation) (No. 2) Order 1991 and shall come into force on the day after the day on which it is made.

Interpretation

2. In this Order—

“the Act” means the Financial Services Act 1986; and

“designated agency” means the body known as The Securities and Investments Board.

Transfer of functions

3. The functions of the Secretary of State mentioned in article 3(3)(a) of the Financial Services Act 1986 (Delegation) (No. 2) Order 1988(3) are transferred to the designated agency insofar as those functions confer the power to make regulations under section 81 of the Act with respect to the matters specified in the said article 3(3)(a) in relation to schemes belonging to any category specified in regulation 2.07 of the copy of the regulations furnished by the designated agency to the Secretary of State under section 114(9) of the Act as being the regulations which the designated agency proposes to make in exercise of the functions transferred to it by this Order.

23rd May 1991

John Redwood
Minister of State,
Department of Trade and Industry

EXPLANATORY NOTE

(This note is not part of the Order)

The Order transfers certain of the Secretary of State's functions under the Financial Services Act 1986 to the body known as The Securities and Investments Board. The functions in question are those specified in article 3 of the Order. The principal function transferred is the power to make regulations under section 81(2)(d) of the Financial Services Act 1986 restricting or regulating the investment and borrowing powers exercisable in relation to authorised unit trust schemes of a category specified in the copy of the draft regulations furnished by The Securities and Investments Board to the Secretary of State under section 114(9) of the Financial Services Act in connection with the proposed transfer of functions. The categories of scheme specified in the draft regulations are securities funds, money market funds, futures and options funds, geared futures and options funds, property funds, warrant funds, feeder funds, funds of funds and umbrella funds.