
STATUTORY INSTRUMENTS

1991 No. 880

The Financial Markets and Insolvency Regulations 1991

PART VI

CONSTRUCTION OF REFERENCES TO PARTIES TO MARKET CONTRACTS

Circumstances in which member or designated non-member dealing as principal to be treated as acting in different capacities

16.—(1) In this regulation “relevant transaction” means—

- (a) a market contract effected as principal by a member or designated non-member of a recognised investment exchange or a member of a recognised clearing house being a market contract—
 - (i) which is an investment falling within paragraph 7, 8 or 9 of Schedule 1 to the Financial Services Act 1986⁽¹⁾ or falling within paragraph 11 of that Schedule insofar as that paragraph is relevant to any of those paragraphs; and
 - (ii) in relation to which money received by the member or designated non-member is client money for the purposes of the Financial Services (Clients' Money) Regulations 1987⁽²⁾ or would be client money for the purposes of those regulations were it not money which, in accordance with those regulations, may be regarded as immediately due and payable to the member or designated non-member for his own account; and
- (b) a market contract which would be regarded as a relevant transaction by virtue of subparagraph (a) above were it not for the fact that no money is received by the member or designated non-member in relation to the contract.

(2) For the purposes of subsection (1) of section 187 of the Act (construction of references to parties to market contracts) a member or designated non-member of a recognised investment exchange or a member of a recognised clearing house shall be treated as effecting relevant transactions in a different capacity from other market contracts he has effected as principal.

(1) 1986 c. 60.

(2) Regulations made by the Securities and Investments Board under section 55 of the Financial Services Act 1986 and issued (with amendments) in the Board's release No. 54. The regulations have been further modified, in an irrelevant respect, by the Financial Services (Clients' Money) (Amendment) Regulations 1990 issued in the Board's release No. 85.