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STATUTORY INSTRUMENTS

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**2001 No. 1217**

**The Financial Services and Markets Act 2000  
(Appointed Representatives) Regulations 2001**

**Requirements applying to contracts between authorised persons and appointed representatives**

3.—(1) For the purposes of subsection (1)(a)(ii) of that section, it is a prescribed requirement that the contract between the principal and the representative must (unless it prohibits the representative from representing other counterparties) contain a provision enabling the principal to—

- (a) impose such a prohibition; or
- (b) impose restrictions as to the other counterparties which the representative may represent, or as to the types of investment in relation to which the representative may represent other counterparties.

(2) For the purposes of paragraph (1) a representative is to be treated as representing other counterparties where he—

- (a) makes arrangements (in circumstances constituting the carrying on of an activity of the kind specified by article 25 of the Regulated Activities Order) for persons to enter (or with a view to persons entering) into investment transactions with other counterparties;
- (b) arranges (in circumstances constituting the carrying on of an activity of the kind specified by article 40 of that Order) for other counterparties to safeguard and administer assets; or
- (c) gives advice (in circumstances constituting the carrying on of an activity of the kind specified by article 53 of that Order) on the merits of entering into investment transactions with other counterparties;

where an “investment transaction” means a transaction to buy, sell, subscribe for or underwrite an investment which is a security or a contractually based investment.