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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order amends the Financial Services and Markets Act 2000 (Exemption) Order 2001 ([S.I. 2001/1201](#)) (“the Exemption Order”).

The Exemption Order exempts certain persons from the general prohibition set out in section 19 of the Financial Services and Markets Act 2000 ([c. 8](#)), which provides that no person may carry on a regulated activity within the UK unless he is an authorised person or an exempt person. Regulated activities are activities of a kind specified by the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ([S.I. 2001/544](#)) (“the Regulated Activities Order”) which are carried on by way of business. The persons listed in Part 2 of the Schedule to the Exemption Order are exempt from the general prohibition in respect of accepting deposits within the meaning of article 5 of the Regulated Activities Order.

Article 2 revokes paragraph 24A in Part 2 of the Schedule to the Exemption Order, which created an exemption from the general prohibition in respect of accepting deposits for credit unions within the meaning of the Credit Unions (Northern Ireland) Order 1985 ([S.I. 1985/1205](#)), so that from 31st March 2012 Northern Irish credit unions will need to be authorised by the Financial Services Authority under Part 4 of the Financial Services and Markets Act 2000, and the regulatory system established by that Act will apply to them.

Article 3 requires the Treasury to review the effect of this Order and publish a report by 31st March 2017 and within every five years after that. Following a review it will fall to the Treasury to reconsider the regulatory status of Northern Ireland credit unions. A further instrument would be needed to amend the Exemption Order and make consequential and transitional provisions.

An impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from the Mutuels Team, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and is annexed to the Explanatory Memorandum which is available alongside the instrument on [legislation.gov.uk](https://www.legislation.gov.uk).