
DRAFT STATUTORY INSTRUMENTS

2014 No.

**The Financial Services and Markets Act 2000
(Regulated Activities) (Amendment) Order 2014**

PART 3

Amendments of primary legislation

The Financial Services and Markets Act 2000

5.—(1) In Schedule 6 to the Financial Services and Markets Act 2000 (threshold conditions)(**1**), Part 1B (Part 4A permission: authorised persons who are not PRA-authorised persons)(**2**) is amended as follows.

(2) For paragraph 2C(1A) (effective supervision), substitute—

“(1A) Paragraphs (a), (b) and (e) of sub-paragraph (1) do not apply where the only regulated activities that the person carries on, or seeks to carry on, are—

- (a) relevant credit activities, and
- (b) if any, activities to which, by virtue of section 39(1D), sections 20(1) and (1A) and 23(1A) do not apply when carried on by the person.”

(3) For paragraph 2D(3A) (appropriate resources), substitute—

“(3A) Where the only regulated activities that A carries on or seeks to carry on are—

- (a) relevant credit activities, and
- (b) if any, activities to which, by virtue of section 39(1D), sections 20(1) and (1A) and 23(1A) do not apply when carried on by A,

A has adequate financial resources if A is capable of meeting A’s debts as they fall due.”;

(4) For paragraph 2F(3) (business model), substitute—

“(3) This paragraph does not apply where the only regulated activities that the person carries on, or seeks to carry on, are—

- (a) relevant credit activities, and
- (b) if any, activities to which, by virtue of section 39(1D), sections 20(1) and (1A) and 23(1A) do not apply when carried on by the person.”;

(5) In paragraph 2G (interpretation)—

(a) in sub-paragraph (1)—

(i) for paragraph (b)(ii) substitute—

“(ii) by a person in connection with an activity of the kind specified by paragraph (d) or (e) which the person also carries on,”;

(1) 2000 c. 8. Schedule 6 amended by S.I. 2013/555 and 1881.

(2) Inserted by S.I. 2013/555; amended by S.I. 2013/1881.

- (ii) for paragraph (c)(ii) substitute—
 - “(ii) by a person in connection with an activity of the kind specified by paragraph (d) or (e) which the person also carries on,”;
- (iii) after paragraph (d), insert—
 - “(da) an activity of the kind specified by article 60B of that Order (regulated credit agreements) if carried on by a local authority,”;
- (iv) in paragraph (f), for “who also carries on an activity of the kind specified by any of paragraphs (a) to (e)” substitute “in connection with an activity of the kind specified by any of paragraphs (a) to (e) which the person also carries on”;
- (b) in sub-paragraph (2)—
 - (i) for “But” substitute “Except where the activity is carried on by a not-for-profit body,”;
 - (ii) in the closing words of the sub-paragraph, after “to repay” insert “or the hirer to pay”;
- (c) in sub-paragraph (6), after the definition of “hire-purchase agreement”, insert—
 - ““local authority” means—
 - (a) in England and Wales, a local authority within the meaning of the Local Government Act 1972(3), the Greater London Authority, the Common Council of the City of London or the Council of the Isles of Scilly;
 - (b) in Scotland, a local authority within the meaning of the Local Government (Scotland) Act 1973(4); and
 - (c) in Northern Ireland, a district council within the meaning of the Local Government Act (Northern Ireland) 1972(5);”.

(3) 1972 c.70. Section 270 of that Act, as amended by Local Government Act 1985 (c.51), Schedule 16, paragraph 8, and the Local Government (Wales) Act 1994 (c.19), section 1, defines “local authority” as meaning a county council, a district council, a London borough council or a parish council but, in relation to Wales, means a county council, county borough council or community council.

(4) 1973 c.65. Section 235 of that Act, as substituted by the Local Government etc (Scotland) Act 1994 (c.39), Schedule 13, paragraph 92(66), defines “local authority” as meaning a council constituted under section 2 of the Local Government etc (Scotland) Act 1994.

(5) 1972 Chapter 9. Section 148 of that Act provides that “district” has the meaning assigned to it by section 1(3) of that Act, and in relation to any council means the district for which that council acts.