
DRAFT STATUTORY INSTRUMENTS

2020 No.

**The Financial Services and Markets Act 2000
(Regulated Activities) (Amendment) Order 2020**

PART 2

Amendments to secondary legislation made under the Act

The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001

2.—(1) The Regulated Activities Order is amended as follows.

(2) In article 3 (interpretation)(1), in the definition of “contract of insurance”, omit “(or a contract which would be a funeral plan contract but for the exclusion in article 60)”.

(3) In article 21(1) (dealing in investments as agent)(2), omit “(other than investments of the kind specified by article 87, or article 89 so far as relevant to that article)”.

(4) In article 59 (funeral plan contracts)—

(a) after paragraph (1), insert—

“(1A) Carrying out a funeral plan contract as provider is a specified kind of activity.”;

(b) in paragraph (2), omit “(other than one excluded by article 60)”; and

(c) after paragraph (2), insert—

“(2A) For the purposes of paragraph (1A), “provider” includes a person who has assumed the undertaking referred to in paragraph (2)(b) as a result of the novation, assignment or transfer by operation of law of an existing funeral plan contract.”.

(5) Omit article 60 (plans covered by insurance or trust arrangements).

(6) Before paragraph 60A(3), insert—

“Local authorities

60ZA. Article 59 is subject to the exclusion in article 72G (local authorities).”.

(7) In article 72G (local authorities)(4), after paragraph (3B)(5), insert—

“(3C) There is excluded from article 59(1) and (1A) any activity which is carried on by a local authority.”.

(8) For article 89(3) (rights to or interests in investments)(6), substitute—

“Paragraph (1) does not include any right or interest acquired as a result of entering into a funeral plan contract.”

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- (1) Article 3 was amended by [S.I. 2003/1476](#). There are other amendments to article 3 which are not relevant to this Order.
(2) Article 21 was renumbered and amended by [S.I. 2003/1476](#), and further amended by [S.I. 2006/3384](#) and [S.I. 2017/488](#).
(3) Article 60A was inserted by [S.I. 2002/1776](#).
(4) Article 72G was inserted by [S.I. 2014/366](#). There are amendments to article 72G which are not relevant to this Order.
(5) Paragraph (3B) was substituted by [S.I. 2016/392](#).
(6) There are amendments to article 89 which are not relevant to this Order.

The Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001

3. For paragraph 18(7) of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001(8), substitute—

“Funeral plan contracts

18. Arrangements do not amount to a collective investment scheme if they consist of, or are made pursuant to, a funeral plan contract.”.

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

4.—(1) The Financial Services and Markets Act 2000 (Appointed Representatives) Regulations 2001(9) are amended as follows.

(2) In regulation 1(2)(10), at the appropriate place, insert—

““funeral plan contract” has the same meaning as in article 59 of the Regulated Activities Order;”.

(3) For regulation 2(1)(za) (descriptions of business for which appointed representatives are exempt)(11), substitute—

“(za) an activity of the kind specified by article 21 of the Regulated Activities Order (dealing in investments as agent), where the transaction relates to—

- (i) a contract of insurance which is not a qualifying contract of insurance or a contract of long-term care insurance; or
- (ii) a funeral plan contract.”.

The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005

5.—(1) Schedule 1 to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005(12) is amended as follows.

(2) In paragraph 3(1)(13) (dealing in securities and contractually based investments), omit “(other than investments of the kind specified by paragraph 25, or paragraph 27 so far as relevant to that paragraph)”.

(3) In paragraph 9 (providing funeral plan contracts)—

(a) after sub-paragraph (1), insert—

“(1A) Carrying out a qualifying funeral plan contract as provider is a controlled activity.”; and

(b) for sub-paragraph (2)(c), substitute—

“the provider is a person who carries on a regulated activity specified in article 59 of the Regulated Activities Order and includes a person who has assumed the undertaking referred to in article 59(2)(b) of that Order as a result of the novation, assignment or transfer by operation of law of an existing qualifying funeral plan contract.”.

(7) Paragraph 18 of the Schedule was substituted by [S.I. 2001/3650](#).

(8) [S.I. 2001/1062](#).

(9) [S.I. 2001/1217](#).

(10) Regulation 1(2) was amended by [S.I. 2003/1476](#). There are other amendments to regulation 1(2) which are not relevant to this Order.

(11) Regulation 2(1)(za) was inserted by [S.I. 2003/1476](#), amended by [S.I. 2004/453](#) and renumbered by [S.I. 2012/1906](#).

(12) [S.I. 2005/1529](#).

(13) Paragraph 3(1) of Schedule 1 was amended by [S.I. 2017/488](#).

