

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: Financial Services Act 1986 (Repealed), SCHEDULE 5 is up to date with all changes known to be in force on or before 20 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 5

Section 43.

#### LISTED MONEY MARKET INSTITUTIONS

**Modifications etc. (not altering text)**

**C1** Sch. 5 amended by S.I. 1990/696, art. 2

#### PART I

##### TRANSACTIONS NOT SUBJECT TO MONETARY LIMIT

- 1 This Part of this Schedule applies to any transaction entered into by the listed institution as principal (or as agent for another listed institution) with another listed institution or the Bank of England (whether acting as principal or agent) if the transaction falls within paragraph 2 or 3 below.
- 2 (1) A transaction falls within this paragraph if it is in respect of an investment specified in sub-paragraph (2) below and—
  - (a) in the case of an investment within any of paragraphs (a) to (d) of that sub-paragraph, the transaction is not regulated by the rules of a recognised investment exchange; and
  - (b) in the case of any other investment specified in that sub-paragraph, the transaction is not made on such an exchange or expressed to be as so made.
- (2) The investments referred to above are—
  - (a) a debenture or other instrument falling within paragraph 2 of Schedule 1 to this Act which is issued—
    - (i) by [<sup>F1</sup>an authorised institution within the meaning of the Banking Act 1987] or a building society incorporated in, or in any part of, the United Kingdom; and
    - (ii) on terms requiring repayment not later than five years from the date of issue;
  - (b) any other debenture or instrument falling within paragraph 2 of Schedule 1 to this Act which is issued on terms requiring repayment not later than one year from the date of issue;
  - (c) loan stock, or any other instrument, falling within paragraph 3 of Schedule 1 to this Act which is issued on terms requiring repayment not later than one year or, if issued by a local authority in the United Kingdom, five years from the date of issue;

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- (d) a warrant or other instrument falling within paragraph 4 of Schedule 1 to this Act which entitles the holder to subscribe for an investment within paragraph (a), (b) or (c) above;
- (e) any certificate or other instrument falling within paragraph 5 or 11 of Schedule 1 to this Act and relating to an investment within paragraph (a), (b) or (c) above;
- (f) an option falling within paragraph 7 of Schedule 1 to this Act and relating to—
  - (i) an investment within paragraph (a), (b) or (c) above;
  - (ii) currency of the United Kingdom or of any other country or territory; or
  - (iii) gold or silver;
- (g) rights under a contract falling within paragraph 8 of Schedule 1 to this Act for the sale of—
  - (i) an investment within paragraph (a), (b) or (c) above;
  - (ii) currency of the United Kingdom or of any other country or territory; or
  - (iii) gold or silver;
- (h) rights under a contract falling within paragraph 9 of Schedule 1 to this Act by reference to fluctuations in—
  - (i) the value or price of any investment falling within any of the foregoing paragraphs; or
  - (ii) currency of the United Kingdom or of any other country or territory; or
  - (iii) the rate of interest on loans in any such currency or any index of such rates;
- (i) an option to acquire or dispose of an investment within paragraph (f), (g) or (h) above.

**Textual Amendments**

**F1** Words substituted by [Banking Act 1987 \(c. 22, SIF 10\)](#), s. 108(1), [Sch. 6 para. 27\(6\)](#)

**Modifications etc. (not altering text)**

**C2** [Sch. 5 Pt. I para. 2\(2\)](#) amended (1.1.1993) by [S.I. 1992/3218](#), reg. 82(1), [Sch. 10 Pt. I para.23](#).

- 3 (1) A transaction falls within this paragraph if it is a transaction by which one of the parties agrees to sell or transfer an investment falling within paragraph 2 or 3 of Schedule 1 to this Act and by the same or a collateral agreement that party agrees, or acquires an option, to buy back or re-acquire that investment or an equivalent amount of a similar investment within twelve months of the sale or transfer.
- (2) For the purposes of this paragraph investments shall be regarded as similar if they entitle their holders to the same rights against the same persons as to capital and interest and the same remedies for the enforcement of those rights.

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## PART II

### TRANSACTIONS SUBJECT TO MONETARY LIMIT

- 4 (1) This Part of this Schedule applies to any transaction entered into by the listed institution—
- (a) as principal (or as agent for another listed institution) with an unlisted person (whether acting as principal or agent);
  - (b) as agent for an unlisted person with a listed institution or the Bank of England (whether acting as principal or agent); or
  - (c) as agent for an unlisted person with another unlisted person (whether acting as principal or agent),
- if the transaction falls within paragraph 2 or 3 above and the conditions in paragraph 5 or, as the case may be, paragraph 7 below are satisfied.
- (2) In this Part of this Schedule and in Part III below “unlisted person” means a person who is neither a listed institution nor the Bank of England.
- 5 (1) In the case of a transaction falling within paragraph 2 above the conditions referred to above are as follows but subject to paragraph 6 below.
- (2) The consideration for a transaction in respect of an investment falling within paragraph 2(2)(a), (b), (c) or (e) above must be not less than £100,000.
  - (3) The consideration payable on subscription in the case of an investment falling within paragraph 2(2)(d) must not be less than £500,000.
  - (4) The value or price of the property in respect of which an option within paragraph 2(2)(f) above is granted must not be less than £500,000.
  - (5) The price payable under a contract within paragraph 2(2)(g) above must be not less than £500,000.
  - (6) The value or price the fluctuation in which, or the amount the fluctuation in the interest on which, is relevant for the purposes of a contract within paragraph 2(2)(h) above must not be less than £500,000.
  - (7) In the case of an option falling within paragraph 2(2)(i) above the condition in subparagraph (4), (5) or (6) above, as the case may be, must be satisfied in respect of the investment to which the option relates.
- 6 The conditions in paragraph 5 above do not apply to a transaction entered into by the listed institution as mentioned in paragraph (a), (b) or (c) of paragraph 4(1) above if—
- (a) the unlisted person mentioned in paragraph (a) or (b) or, as the case may be, each of the unlisted persons mentioned in paragraph (c) has in the previous eighteen months entered into another transaction in respect of an investment specified in paragraph 2(2) above;
  - (b) those conditions were satisfied in the case of that other transaction; and
  - (c) that other transaction was entered into by that person (whether acting as principal or agent) with the listed institution (whether acting as principal or agent) or was entered into by that person through the agency of that

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institution or was entered into by him (whether acting as principal or agent) as a result of arrangements made by that institution.

7 In the case of a transaction falling within paragraph 3 above the condition referred to in paragraph 4 above is that the consideration for the sale or transfer must be not less than £100,000.

8 The monetary limits mentioned in this Part of this Schedule refer to the time when the transaction is entered into; and where the consideration, value, price or amount referred to above is not in sterling it shall be converted at the rate of exchange prevailing at that time.

### PART III

#### TRANSACTIONS ARRANGED BY LISTED INSTITUTIONS

9 Subject to paragraphs 10 and 11 below, this Part of this Schedule applies to any transaction arranged by the listed institution which—

- (a) is entered into by another listed institution as principal (or as agent for another listed institution) with another listed institution or the Bank of England (whether acting as principal or agent);
- (b) is entered into by another listed institution (whether acting as principal or agent) with an unlisted person (whether acting as principal or agent); or
- (c) is entered into between unlisted persons (whether acting as principal or agent),

if the transaction falls within paragraph 2 or 3 above.

10 In the case of a transaction falling within paragraph 2 above paragraph 9(b) and (c) above do not apply unless either the conditions in paragraph 5 above are satisfied or—

- (a) the unlisted person mentioned in paragraph (b) or, as the case may be, each of the unlisted persons mentioned in paragraph (c) has in the previous eighteen months entered into another transaction in respect of an investment specified in paragraph 2(2) above;
- (b) those conditions were satisfied in the case of that other transaction; and
- (c) that other transaction was entered into by that person (whether acting as principal or agent) with the listed institution making the arrangements (whether acting as principal or agent) or through the agency of that institution or was entered into by that person (whether acting as principal or agent) as a result of arrangements made by that institution.

11 In the case of a transaction falling within paragraph 3 above paragraph 9(b) and (c) above do not apply unless the condition in paragraph 7 above is satisfied.

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