



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### PART XIX

#### LLOYD'S

##### *General*

#### 314 [<sup>F1</sup>Regulators'] general duty.

[<sup>F2</sup>(1) So far as it is appropriate to do so for the purpose of advancing one or more of its operational objectives, the FCA must keep itself informed about—

- (a) the way in which the Council supervises and regulates the market at Lloyd's, and
- (b) the way in which regulated activities are being carried on in that market.

(1A) So far as it is appropriate to do so for the purpose of advancing its general objective or (if section 2C applies) its insurance objective, the PRA must keep itself informed about—

- (a) the way in which the Council supervises and regulates the market at Lloyd's, and
- (b) the way in which any PRA-regulated activities are being carried on in that market.]

(2) [<sup>F3</sup>Each regulator] must keep under review the desirability of exercising—

- (a) any of its powers under this Part;
- (b) any powers which it has in relation to the Society as a result of [<sup>F4</sup>provision made by or under this Act].

#### Textual Amendments

- F1** Word in s. 314 heading substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 40\(2\)\(c\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

**Changes to legislation:** *Financial Services and Markets Act 2000, Part XIX is up to date with all changes known to be in force on or before 16 April 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) View outstanding changes*

- F2** S. 314(1)(1A) substituted for s. 314(1) (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(2)(a)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), art. 3, Sch.
- F3** Words in s. 314(2) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(2)(b)(i)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), art. 3, Sch.
- F4** Words in s. 314(2)(b) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(2)(b)(ii)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), art. 3, Sch.

### [<sup>F5</sup>314A The PRA's objectives in relation to Lloyd's etc

- (1) This section modifies—
- (a) the effect of sections 2B and 2C (the PRA's general objective and insurance objective), and
  - (b) the effect of section 3I (power of PRA to require FCA to refrain from specified action),
- in relation to anything done, or proposed to be done, by the PRA under or for the purposes of this Part.
- (2) This section applies only if PRA-authorised persons include—
- (a) the Society, or
  - (b) other persons who carry on regulated activities in relation to anything done at Lloyd's.
- (3) Section 2B(2) and (3) have effect as if references to PRA-authorised persons (or a PRA-authorised person) were references to the Society, and the members of the Society, taken together (and sections 2G and 2J(3) are to be read accordingly).
- (4) Section 2C(1) has effect as if the reference to the discharge of the PRA's general functions so far as relating to the activity mentioned there were a reference to the discharge of its general functions so far as relating to the carrying on by the Society or other persons of PRA-regulated activities in relation to anything done at Lloyd's.
- (5) Section 3I(4)(b) has effect as if the reference to a PRA-authorised person were a reference to the Society, and the members of the Society, taken together.]

#### Textual Amendments

- F5** S. 314A inserted (24.1.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(3)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/113](#), art. 2(1)(c), Sch. Pt. 3

### *The Society*

### [<sup>F6</sup>315 The Society: regulated activities

- (1) This section applies if an activity carried on by the Society is of a kind specified in an order made under section 22 (regulated activities).
- (2) The order may provide that the Society is not to be subject to any requirement of this Act concerning the registered office of a body corporate.]

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### Textual Amendments

**F6** S. 315 substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(4)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)

### *Power to apply Act to Lloyd’s underwriting*

#### **316 Direction by [<sup>F7</sup>a regulator]**

- (1) The general prohibition or (if the general prohibition is not applied under this section) a core provision applies to the carrying on of an insurance market activity by—
- (a) a member of the Society, or
  - (b) the members of the Society taken together,
- only if [<sup>F8</sup>a regulator] so directs.

[<sup>F9</sup>(1A) A direction under subsection (1)—

- (a) may be given by the FCA only if it considers that giving the direction is necessary or expedient for the purpose of advancing one or more of its operational objectives, and
- (b) may be given by the PRA only if it considers that giving the direction is necessary or expedient for the purpose of advancing its general objective or (if section 2C applies) the insurance objective.

(1B) A direction under subsection (1) which applies the general prohibition to a member of the Society, or to the members of the Society taken together, may be given by a regulator only with the consent of the other regulator.]

(2) A direction given under subsection (1) which applies a core provision is referred to in this Part as “an insurance market direction”.

(3) In subsection (1)—

“core provision” means a provision of this Act mentioned in section 317; and

“insurance market activity” means a regulated activity relating to contracts of insurance written at Lloyd’s.

(4) In deciding whether to give a direction under subsection (1), [<sup>F10</sup>the regulator concerned] must have particular regard to—

- (a) the interests of policyholders and potential policyholders;
- <sup>F11</sup>(b) .....
- (c) the need to ensure the effective exercise of the functions which [<sup>F10</sup>the regulator concerned] has in relation to the Society as a result of [<sup>F12</sup>provision made by or under this Act].

(5) A direction under subsection (1) must be in writing.

(6) A direction under subsection (1) applying the general prohibition may apply it in relation to different classes of person.

(7) An insurance market direction—

- (a) must specify each core provision, class of person and kind of activity to which it applies;

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- (b) may apply different provisions in relation to different classes of person and different kinds of activity.
- (8) A direction under subsection (1) has effect from the date specified in it, which may not be earlier than the date on which it is made.
- (9) A direction under subsection (1) [<sup>F13</sup>given by a regulator] must be published in the way appearing to [<sup>F14</sup>the regulator] to be best calculated to bring it to the attention of the public.
- (10) [<sup>F15</sup>A regulator who gives a direction under subsection (1)] may charge a reasonable fee for providing a person with a copy of the direction.
- (11) [<sup>F16</sup>A regulator who gives a direction under subsection (1)] must, without delay, give the Treasury a copy of [<sup>F17</sup>the direction].

#### Textual Amendments

- F7** Words in s. 316 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(5)(g), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F8** Words in s. 316(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(5)(a), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F9** S. 316(1A)(1B) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(5)(b), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F10** Words in s. 316(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(5)(c)(i), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F11** S. 316(4)(b) omitted (31.12.2020) by virtue of The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), 5(3) (as amended by S.I. 2020/1385, regs. 1(2), 54(2))
- F12** Words in s. 316(4)(c) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(5)(c)(ii), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F13** Words in s. 316(9) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(5)(d)(i), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F14** Words in s. 316(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(5)(d)(ii), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F15** Words in s. 316(10) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(5)(e), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F16** Words in s. 316(11) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(5)(f)(i), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F17** Words in s. 316(11) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(5)(f)(ii), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

#### Commencement Information

- I1** S. 316 wholly in force at 1.12.2001; s. 316 not in force at Royal Assent see s. 431(2); s. 316(1) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, Sch.; s. 316 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, art. 2(1)

### 317 The core provisions.

- (1) The core provisions are Parts V, [<sup>F18</sup>9A], XI, XII, XIV, XV, XVI, XXII and XXIV, sections 384 to 386 and Part XXVI.

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- (2) References in an applied core provision to an authorised person are (where necessary) to be read as references to a person in the class to which the insurance market direction applies.
- (3) An insurance market direction may provide that a core provision is to have effect, in relation to persons to whom the provision is applied by the direction, with modifications.

#### Textual Amendments

**F18** Word in s. 317(1) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 40\(6\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

### 318 Exercise of powers through Council.

- (1) [<sup>F19</sup>A regulator] may give a direction under this subsection to the Council or to the Society (acting through the Council) or to both.
- (2) A direction under subsection (1) is one given to the body concerned—
  - (a) in relation to the exercise of its powers generally with a view to achieving, or in support of, a specified objective; or
  - (b) in relation to the exercise of a specified power which it has, whether in a specified manner or with a view to achieving, or in support of, a specified objective.
- (3) “Specified” means specified in the direction.

[<sup>F20</sup>(3A) A direction under subsection (1)—

- (a) may be given by the FCA only if it considers that giving the direction is necessary or expedient for the purpose of advancing one or more of its operational objectives, and
- (b) may be given by the PRA only if it considers that giving the direction is necessary or expedient for the purpose of advancing its general objective or (if section 2C applies) the insurance objective.]
- (4) A direction under subsection (1) may be given—
  - (a) instead of giving a direction under section 316(1); or
  - (b) if [<sup>F21</sup>the regulator concerned] considers it necessary or expedient to do so, at the same time as, or following, the giving of such a direction.
- (5) A direction may also be given under subsection (1) in respect of underwriting agents as if they were among the persons mentioned in section 316(1).
- (6) A direction under this section—
  - (a) does not, at any time, prevent the exercise by [<sup>F22</sup>a regulator] of any of its powers;
  - (b) must be in writing.
- (7) A direction under subsection (1) [<sup>F23</sup>given by a regulator] must be published in the way appearing to [<sup>F24</sup>the regulator] to be best calculated to bring it to the attention of the public.

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- (8) <sup>F25</sup>A regulator who gives a direction under subsection (1)] may charge a reasonable fee for providing a person with a copy of the direction.
- (9) <sup>F26</sup>A regulator who gives a direction under subsection (1)] must, without delay, give the Treasury a copy of <sup>F27</sup>the direction].

#### Textual Amendments

- F19** Words in s. 318(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(7)(a), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F20** S. 318(3A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(7)(b), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F21** Words in s. 318(4)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(7)(c), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F22** Words in s. 318(6)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(7)(d), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F23** Words in s. 318(7) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(7)(e)(i), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F24** Words in s. 318(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(7)(e)(ii), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F25** Words in s. 318(8) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(7)(f), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F26** Words in s. 318(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(7)(g)(i), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F27** Words in s. 318(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), ss. 40(7)(g)(ii), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

#### Commencement Information

- I2** S. 318 wholly in force at 1.12.2001; s. 318 not in force at Royal Assent see s. 431(2); s. 318(1) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, Sch.; s. 318 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, art. 2(1)

### 319 Consultation.

- <sup>F28</sup>(1) Before a regulator gives a direction under section 316 or 318, it must—
- (a) in a case where section 316(1B) requires the regulator to obtain the consent of the other regulator, obtain that consent,
  - (b) in any other case, consult the other regulator, and
  - (c) after complying with paragraph (a) or (b), publish a draft of the proposed direction.]
- (2) The draft must be accompanied by—
- (a) a cost benefit analysis; and
  - (b) notice that representations about the proposed direction may be made to <sup>F29</sup>the regulator] within a specified time.
- <sup>F30</sup>(3) Before a regulator gives the proposed direction—
- (a) it must have regard to any representations made to it in accordance with subsection (2)(b), and
  - (b) if it was required by subsection (1)(b) to consult the other regulator and proposes to give a direction which differs from the draft published under

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subsection (1) in a way which is, in the opinion of the regulator, significant, it must again consult the other regulator.]

- (4) If [<sup>F31</sup>the regulator] gives the proposed direction it must publish an account, in general terms, of—
- (a) the representations made to it in accordance with subsection (2)(b); and
  - (b) its response to them.

- (5) If the direction differs from the draft published under subsection (1) in a way which is, in the opinion of [<sup>F32</sup>the regulator], significant—
- (a) [<sup>F32</sup>the regulator] must (in addition to complying with subsection (4)) publish details of the difference; and
  - (b) those details must be accompanied by a cost benefit analysis.

- [<sup>F33</sup>(6) Subsections (1)(c) and (2) to (5) do not apply in relation to—
- (a) a direction given by the FCA if it considers that the delay involved in complying with them would be prejudicial to the interests of consumers, as defined in section 425A, or
  - (b) a direction given by the PRA if it considers that the delay involved in complying with them would—
    - (i) be prejudicial to the safety and soundness of the Society, and the members of the Society, taken together, or
    - (ii) in a case where section 2C applies, be prejudicial to securing the appropriate degree of protection for policyholders.]

- (7) Neither subsection (2)(a) nor subsection (5)(b) applies if [<sup>F34</sup>the regulator concerned] considers—
- (a) that, making the appropriate comparison, there will be no increase in costs; or
  - (b) that, making that comparison, there will be an increase in costs but the increase will be of minimal significance.

- (8) [<sup>F35</sup>A regulator who publishes a draft under subsection (1)] may charge a reasonable fee for providing a person with a copy of [<sup>F36</sup>the draft].

- (9) When [<sup>F37</sup>a regulator] is required to publish a document under this section it must do so in the way appearing to it to be best calculated to bring it to the attention of the public.

- [<sup>F38</sup>(10) “Cost benefit analysis” means—
- (a) an analysis of the costs together with an analysis of the benefits that will arise—
    - (i) if the proposed direction is given, or
    - (ii) if subsection (5)(b) applies, from the direction that has been given, and
  - (b) subject to subsection (10A), an estimate of those costs and of those benefits.

- (10A) If, in the opinion of the regulator concerned—
- (a) the costs or benefits referred to in subsection (10) cannot reasonably be estimated, or
  - (b) it is not reasonably practicable to produce an estimate,
- the cost benefit analysis need not estimate them, but must include a statement of the opinion of the regulator concerned and an explanation of it.]

- (11) “The appropriate comparison” means—

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- (a) in relation to subsection (2)(a), a comparison between the overall position if the direction is given and the overall position if it is not given;
- (b) in relation to subsection (5)(b), a comparison between the overall position after the giving of the direction and the overall position before it was given.

#### Textual Amendments

- F28** S. 319(1) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(a\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F29** Words in s. 319(2)(b) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(b\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F30** S. 319(3) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(c\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F31** Words in s. 319(4) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(d\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F32** Words in s. 319(5) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(d\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F33** S. 319(6) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(e\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F34** Words in s. 319(7) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(f\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F35** Words in s. 319(8) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(g\)\(i\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F36** Words in s. 319(8) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(g\)\(ii\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F37** Words in s. 319(9) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(h\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F38** S. 319(10)(10A) substituted for s. 319(10) (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 40\(8\)\(i\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)

#### *Former underwriting members*

### **320 Former underwriting members.**

- (1) A former underwriting member may carry out each contract of insurance that he has underwritten at Lloyd's whether or not he is an authorised person.
- (2) If he is an authorised person, any [<sup>F39</sup>Part 4A permission] that he has does not extend to his activities in carrying out any of those contracts.
- (3) [<sup>F40</sup>The PRA] may impose on a former underwriting member such requirements as appear to it to be appropriate for the purpose of protecting policyholders against the risk that he may not be able to meet his liabilities.
- (4) A person on whom a requirement is imposed may refer the matter to the Tribunal.
- [<sup>F41</sup>(5) In the event that the activity of effecting or carrying out contracts of insurance as principal is not to any extent a PRA-regulated activity, the function conferred on the PRA by subsection (3) is exercisable instead by the FCA.
- (6) Accordingly, in that case—



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- (a) references in section 321 to the PRA are to be read as references to the FCA, and
- (b) the reference in section 321(13) to the FCA is to be read as a reference to the PRA.]

#### Textual Amendments

- F39** Words in s. 320(2) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(9)(a)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F40** Words in s. 320(3) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(9)(b)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F41** S. 320(5)(6) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(9)(c)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)

#### Commencement Information

- I3** S. 320 wholly in force at 1.12.2001; s. 320 not in force at Royal Assent see s. 431(2); s. 320(3)(4) in force for specified purposes at 3.9.2001 by [S.I. 2001/2632](#), [art. 2\(2\)](#), **Sch. Pt. 2**; s. 320 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538](#), [art. 2\(1\)](#)

### 321 Requirements imposed under section 320.

- (1) A requirement imposed under section 320 takes effect—
  - (a) immediately, if the notice given under subsection (2) states that that is the case;
  - (b) in any other case, on such date as may be specified in that notice.
- (2) If [<sup>F42</sup>the PRA] proposes to impose a requirement on a former underwriting member (“A”) under section 320, or imposes such a requirement on him which takes effect immediately, it must give him written notice.
- (3) The notice must—
  - (a) give details of the requirement;
  - (b) state [<sup>F43</sup>the PRA’s] reasons for imposing it;
  - (c) inform A that he may make representations to the [<sup>F44</sup>PRA] within such period as may be specified in the notice (whether or not he has referred the matter to the Tribunal);
  - (d) inform him of the date on which the requirement took effect or will take effect; and
  - (e) inform him of his right to refer the matter to the Tribunal.
- (4) The [<sup>F45</sup>PRA] may extend the period allowed under the notice for making representations.
- (5) If, having considered any representations made by A, the [<sup>F45</sup>PRA] decides—
  - (a) to impose the proposed requirement, or
  - (b) if it has been imposed, not to revoke it,it must give him written notice.
- (6) If the [<sup>F45</sup>PRA] decides—
  - (a) not to impose a proposed requirement, or
  - (b) to revoke a requirement that has been imposed,it must give A written notice.

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- (7) If the [F45PRA] decides to grant an application by A for the variation or revocation of a requirement, it must give him written notice of its decision.
- (8) If the [F45PRA] proposes to refuse an application by A for the variation or revocation of a requirement it must give him a warning notice.
- (9) If the [F45PRA], having considered any representations made in response to the warning notice, decides to refuse the application, it must give A a decision notice.
- (10) A notice given under—
- (a) subsection (5), or
  - (b) subsection (9) in the case of a decision to refuse the application,
- must inform A of his right to refer the matter to the Tribunal.
- (11) If the [F46PRA] decides to refuse an application for a variation or revocation of the requirement, the applicant may refer the matter to the Tribunal.
- (12) If a notice informs a person of his right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.
- [F47(13) Before giving a notice under any provision of this section, the PRA must consult the FCA.]

#### Textual Amendments

- F42** Words in s. 321(2) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(10)(a)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), **art. 3**, [Sch.](#)
- F43** Words in s. 321(3)(b) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(10)(b)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), **art. 3**, [Sch.](#)
- F44** Word in s. 321(3)(c) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(10)(c)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), **art. 3**, [Sch.](#)
- F45** Word in s. 321(4)-(9) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(10)(c)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), **art. 3**, [Sch.](#)
- F46** Word in s. 321(11) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(10)(c)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), **art. 3**, [Sch.](#)
- F47** S. 321(13) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(10)(d)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), **art. 3**, [Sch.](#)

#### Commencement Information

- I4** S. 321 wholly in force at 1.12.2001; s. 321 not in force at Royal Assent see s. 431(2); s. 321 in force for certain purposes at 3.9.2001 by [S.I. 2001/2632](#), **art. 2(2)**, [Sch. Pt. 2](#); s. 321 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538](#), **art. 2(1)**

### 322 Rules applicable to former underwriting members.

- (1) [F48The PRA] may make rules imposing such requirements on persons to whom the rules apply as appear to it to be appropriate for protecting policyholders against the risk that those persons may not be able to meet their liabilities.
- (2) The rules may apply to—
- (a) former underwriting members generally; or
  - (b) to a class of former underwriting member specified in them.

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- (3) Section 319 applies to the making of proposed rules under this section as it applies to the giving of a proposed direction under section 316.
- (4) [<sup>F49</sup>Part 9A (except sections 137T, 138F, 138G and 138H)] does not apply to rules made under this section.
- [<sup>F50</sup>(5) In the event that the activity of effecting or carrying out contracts of insurance as principal is not to any extent a PRA-regulated activity, the function conferred on the PRA by subsection (1) is exercisable instead by the FCA.]

#### Textual Amendments

- F48** Words in s. 322(1) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(11)(a)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F49** Words in s. 322(4) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(11)(b)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F50** S. 322(5) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 40(11)(c)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)

#### Commencement Information

- I5** S. 322 wholly in force at 1.12.2001; s. 322 not in force at Royal Assent see s. 431(2); s. 322 in force for specified purposes at 18.6.2001 by [S.I. 2001/1820](#), [art. 2](#), [Sch.](#); s. 322 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538](#), [art. 2\(1\)](#)

### *Transfers of business done at Lloyd’s*

#### **323 Transfer schemes.**

The Treasury may by order provide for the application of any provision of Part VII (with or without modification) in relation to schemes for the transfer of the whole or any part of the business carried on by one or more members of the Society or former underwriting members.

### *Supplemental*

#### **324 Interpretation of this Part.**

- (1) In this Part—
- “arranging deals”, in relation to the investments to which this Part applies, has the same meaning as in paragraph 3 of Schedule 2;
  - “former underwriting member” means a person ceasing to be an underwriting member of the Society on, or at any time after, 24 December 1996; and
  - “participation in Lloyd’s syndicates”, in relation to the secondary market activity, means the investment described in sub-paragraph (1) of paragraph 21 of Schedule 2.
- (2) A term used in this Part which is defined in <sup>M1</sup>Lloyd’s Act 1982 has the same meaning as in that Act.

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### Marginal Citations

**M1** [1982 c.xiv.](#)

### Changes to legislation:

Financial Services and Markets Act 2000, Part XIX is up to date with all changes known to be in force on or before 16 April 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.

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### Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied (with modifications) by [S.I. 2023/1347 reg. 8](#)
- Act power to apply conferred (temp. until 15.5.2039) by [2014 c. 21 s. 79\(4\)](#)
- Act power to apply conferred (temp. until 15.5.2039) by [2014 c. 21 s. 81\(10\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Pt. 17 Ch. 3B inserted by [2023 c. 29 s. 64\(3\)](#)
- Pt. 20C inserted by [2016 c. 14 s. 30\(3\)](#)
- s. 31(1)(aa) inserted by [2021 c. 22 s. 22\(2\)](#)
- s. 32A inserted by [2021 c. 22 s. 22\(3\)](#)
- s. 32A power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- s. 36A and cross-heading inserted by [2021 c. 22 s. 22\(4\)](#)
- s. 71J and cross-heading inserted by [2021 c. 22 Sch. 8 para. 4](#)
- s. 86(9A) inserted by [S.I. 2019/707 reg. 8\(9\)](#) (This amendment not applied to legislation.gov.uk. Reg. 8(6)-(10) omitted (6.9.2019) by virtue of S.I. 2019/1234, regs. 1(2), 13(c))
- s. 87A(11) inserted by [S.I. 2019/707 reg. 10\(5\)](#) (This amendment not applied to legislation.gov.uk. Reg. 10(4)(5) omitted (6.9.2019) by virtue of S.I. 2019/1234, regs. 1(2), 15(b))
- s. 124(10)(c)(i) word omitted by [S.I. 2019/310 reg. 5\(11\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 5(11)(b) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(2)(e))
- s. 129(7)(a) word inserted by [S.I. 2019/310 reg. 5\(12\)\(a\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 5(12)(a)(b) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(2)(f))
- s. 129(7)(c) omitted and word by [S.I. 2019/310 reg. 5\(12\)\(a\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 5(12)(a)(b) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(2)(f))
- s. 214(5A) inserted by [2021 c. 22 Sch. 8 para. 8](#)
- s. 261E(A1) inserted by [2023 c. 29 s. 64\(2\)\(a\)](#)
- s. 367A inserted by [2021 c. 22 Sch. 8 para. 10](#)
- s. 395(13)(h)(i) inserted by [2021 c. 22 Sch. 8 para. 12\(2\)\(c\)](#)
- s. 395(13)(bc)-(be) word inserted by [2021 c. 22 Sch. 8 para. 12\(2\)\(b\)](#)
- s. 395(14) inserted by [2021 c. 22 Sch. 8 para. 12\(3\)](#)
- s. 427A(3) words substituted by [2002 c. 40 Sch. 17 para. 59](#) (This amendment not applied to legislation.gov.uk. The Financial Services and Markets Act 2000 does not contain a section 427A.)
- Sch. 1ZA para. 32(c) and word inserted by [2021 c. 22 Sch. 8 para. 18](#)
- Sch. 2A para. 19(2)(b)(iia) inserted by [2023 c. 29 Sch. 10 para. 19\(a\)](#)
- Sch. 2A2B power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- Sch. 2A power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- Sch. 2B inserted by [2021 c. 22 Sch. 7](#)
- Sch. 2B power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- Sch. 11A para. 5(3) inserted by [S.I. 2019/707 reg. 38\(5\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 38(2)-(5)(7)(8) omitted (6.9.2019) by virtue of S.I. 2019/1234, regs. 1(2), 20)

- Sch. 17A para. 12 words substituted by [S.I. 2019/662 reg. 13\(1\)](#) (This amendment not applied to [legislation.gov.uk](#). Reg. 13(1) substituted (25.6.2020) by S.I. 2020/646, regs. 1(2)(c), 11(3))