



Financial Services and Markets Act 2000

2000 CHAPTER 8

PART XXIX

INTERPRETATION^{F1F2F3}

Textual Amendments

- F1** S. 421A inserted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008](#) (S.I. 2008/948), arts. 2(2), 3(1), [Sch. 1 para. 212\(3\)](#) (with arts. 6, 11, 12)
- F2** Ss. 422, 422A substituted (21.3.2009) for s. 422 by virtue of [The Financial Services and Markets Act 2000 \(Controllers\) Regulations 2009](#) (S.I. 2009/534), reg. 7, [Sch. 3](#) (with reg. 8)
- F3** S. 424A inserted (6.12.2006) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) \(Modification of Powers\) Regulations 2006](#) (S.I. 2006/2975), [reg. 10](#)

417 Definitions.

(1) In this Act—

- “appointed representative” has the meaning given in section 39(2);
- “auditors and actuaries rules” means rules made under section 340;
- “authorisation offence” has the meaning given in section 23(2);
- “authorised open-ended investment company” has the meaning given in section 237(3);
- “authorised person” has the meaning given in section 31(2);
- “the Authority” means the Financial Services Authority;
- “body corporate” includes a body corporate constituted under the law of a country or territory outside the United Kingdom;
- “chief executive”—
- (a) in relation to a body corporate whose principal place of business is within the United Kingdom, means an employee of that body who, alone or jointly with one or more others, is responsible under the immediate authority of the directors, for the conduct of the whole of the business of that body; and

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(b) in relation to a body corporate whose principal place of business is outside the United Kingdom, means the person who, alone or jointly with one or more others, is responsible for the conduct of its business within the United Kingdom;

[^{F4}“claim”, in relation to the Financial Services Compensation Scheme under Part XV, is to be construed in accordance with section 214(1B);

“collective investment scheme” has the meaning given in section 235;

“the Commission” means the European Commission (except in provisions relating to the Competition Commission);

“the compensation scheme” has the meaning given in section 213(2);

“control of information rules” has the meaning given in section 147(1);

“director”, in relation to a body corporate, includes—

(a) a person occupying in relation to it the position of a director (by whatever name called); and

(b) a person in accordance with whose directions or instructions (not being advice given in a professional capacity) the directors of that body are accustomed to act;

“documents” includes information recorded in any form and, in relation to information recorded otherwise than in legible form, references to its production include references to producing a copy of the information in legible form [^{F5}, or in a form from which it can readily be produced in visible and legible form];

[^{F6}“electronic commerce directive” means Directive [2000/31/EC](#) of the European Parliament and the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce);

“exempt person”, in relation to a regulated activity, means a person who is exempt from the general prohibition in relation to that activity as a result of an exemption order made under section 38(1) or as a result of section 39(1) or 285(2) or (3);

“financial promotion rules” means rules made under section 145;

“friendly society” means an incorporated or registered friendly society;

“general prohibition” has the meaning given in section 19(2);

“general rules” has the meaning given in section 138(2);

“incorporated friendly society” means a society incorporated under the ^{M1}Friendly Societies Act 1992;

“industrial and provident society” means a society registered or deemed to be registered under the ^{M2}Industrial and Provident Societies Act 1965 or the ^{M3}Industrial and Provident Societies Act (Northern Ireland) 1969;

[^{F7}“information society service” means an information society service within the meaning of Article 2(a) of the electronic commerce directive;

[^{F8}“investment services and activities” has the meaning given in Article 4.1.2 of the markets in financial instruments directive, read with—

(a) Chapter VI of Commission Regulation 1287/2006 of 10 August 2006, and

(b) Article 52 of Commission Directive [2006/73/EC](#) of 10 August 2006;

“market abuse” has the meaning given in section 118;

“Minister of the Crown” has the same meaning as in the Ministers of the Crown Act 1975;

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- “money laundering rules” means rules made under section 146;
 - “notice of control” [^{F9}(except in Chapter 1A of Part 18)] has the meaning given in section 178(5);
 - “the ombudsman scheme” has the meaning given in section 225(3);
 - “open-ended investment company” has the meaning given in section 236;
 - “Part IV permission” has the meaning given in section 40(4);
 - “partnership” includes a partnership constituted under the law of a country or territory outside the United Kingdom;
 - “prescribed” (where not otherwise defined) means prescribed in regulations made by the Treasury;
 - “price stabilising rules” means rules made under section 144;
 - “private company” has [^{F10}the same meaning as in the Companies Acts (see section 4 of the Companies Act 2006)];
 - “prohibition order” has the meaning given in section 56(2);
 - “recognised clearing house” and “recognised investment exchange” have the meaning given in section 285;
 - “registered friendly society” means a society which is—
 - (a) a friendly society within the meaning of section 7(1)(a) of the ^{M4}Friendly Societies Act 1974; and
 - (b) registered within the meaning of that Act;
 - “regulated activity” has the meaning given in section 22;
 - “regulating provisions” has the meaning given in section 159(1);
 - “regulatory objectives” means the objectives mentioned in section 2;
 - “regulatory provisions” has the meaning given in section 302;
 - “rule” means a rule made by the Authority under this Act;
 - “rule-making instrument” has the meaning given in section 153;
 - “the scheme manager” has the meaning given in section 212(1);
 - “the scheme operator” has the meaning given in section 225(2);
 - “scheme particulars rules” has the meaning given in section 248(1);
 - “Seventh Company Law Directive” means the European Council Seventh Company Law Directive of 13 June 1983 on consolidated accounts (No. [83/349/EEC](#));
 - [^{F11}“Takeovers Directive” means Directive [2004/25/EC](#) of the European Parliament and of the Council;
 - “threshold conditions”, in relation to a regulated activity, has the meaning given in section 41;
 - “the Treaty” means the treaty establishing the European Community;
 - “trust scheme rules” has the meaning given in section 247(1);
 - “UK authorised person” has the meaning given in section 178(4); and
 - “unit trust scheme” has the meaning given in section 237.
- (2) In the application of this Act to Scotland, references to a matter being actionable at the suit of a person are to be read as references to the matter being actionable at the instance of that person.
- (3) For the purposes of any provision of this Act [^{F12}(other than a provision of Part 6)] authorising or requiring a person to do anything within a specified number of days no

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account is to be taken of any day which is a public holiday in any part of the United Kingdom.

[For the purposes of this Act—

- ^{F13}(4) (a) an information society service is provided from an EEA State if it is provided from an establishment in that State;
- (b) an establishment, in connection with an information society service, is the place at which the provider of the service (being a national of an EEA State or a company or firm as mentioned in Article 48 of the Treaty) effectively pursues an economic activity for an indefinite period;
- (c) the presence or use in a particular place of equipment or other technical means of providing an information society service does not, of itself, constitute that place as an establishment of the kind mentioned in paragraph (b);
- (d) where it cannot be determined from which of a number of establishments a given information society service is provided, that service is to be regarded as provided from the establishment where the provider has the centre of his activities relating to the service.]]]]]]

Textual Amendments

- F4** S. 417(1): definition of "claim" inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by [Banking Act 2009 \(c. 1\), ss. 174\(2\), 263\(1\)](#) (with s. 247); S.I. 2009/296, [arts. 2, 3](#), [Sch. para. 4](#)
- F5** S. 417(1): words in definition of "documents" inserted (1.4.2003) by [2001 c. 16, ss. 70, 138\(2\)](#), [Sch. 2 Pt. 2 para. 16\(2\)\(f\)](#); S.I. 2003/708, [art. 2\(c\)\(k\)](#)
- F6** S. 417: definition of "electronic commerce directive" inserted (18.7.2002 for certain purposes and 21.8.2002 otherwise) by [The Electronic Commerce Directive \(Financial Services and Markets\) Regulations 2002 \(S.I. 2002/1775\)](#), regs. 1, [13\(2\)\(a\)](#)
- F7** S. 417: definition of "information society service" inserted (18.7.2002 for certain purposes and 21.8.2002 otherwise) by [The Electronic Commerce Directive \(Financial Services and Markets\) Regulations 2002 \(S.I. 2002/1775\)](#), regs. 1, [13\(2\)\(b\)](#)
- F8** S. 417(1): definition of "investment services and activities" inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(5), [Sch. 5 para. 19\(a\)](#)
- F9** S. 417(1): words in definition of "notice of control" inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(5), [Sch. 5 para. 19\(b\)](#)
- F10** S. 417(1): words in definition of "private company" substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), [art. 2\(1\)](#), [Sch. 1 para. 181\(4\)](#) (with [art. 10](#))
- F11** S. 417(1): definition inserted (6.4.2007) by [Companies Act 2006 \(c. 46\), ss. 964\(6\), 1300\(2\)](#); S.I. 2007/1093, [art. 2\(1\)\(b\)](#) (with [arts. 4, 11](#))
- F12** Words in s. 417(3) inserted (1.7.2005) by [The Prospectus Regulations 2005 \(S.I. 2005/1433\)](#), [reg. 2\(1\)](#), [Sch. 1 para. 15](#)
- F13** S. 417(4) inserted (18.7.2002 for certain purposes and 21.8.2002 otherwise) by [The Electronic Commerce Directive \(Financial Services and Markets\) Regulations 2002 \(S.I. 2002/1775\)](#), regs. 1, [13\(2\)\(c\)](#)

Modifications etc. (not altering text)

- C1** S. 417 modified (22.2.2008) by [The Northern Rock plc Transfer Order 2008 \(S.I. 2008/432\)](#), [art. 17](#)
- C2** S. 417 modified (29.9.2008 at 8.00 a.m.) by [The Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008 \(S.I. 2008/2546\)](#), [art. 13](#)

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C3 S. 417(1) modified (30.3.2009 at 8.00 a.m.) by The Amendments to Law (Resolution of Dunfermline Building Society) Order 2009 (S.I. 2009/814), **art. 7(2)-(4)**

Marginal Citations

- M1** 1992 c. 40.
M2 1965 c. 12.
M3 1969 c. 24. (N.I.)
M4 1992 c. 40.

418 Carrying on regulated activities in the United Kingdom.

- (1) In the [^{F14}five] cases described in this section, a person who—
- is carrying on a regulated activity, but
 - would not otherwise be regarded as carrying it on in the United Kingdom,
- is, for the purposes of this Act, to be regarded as carrying it on in the United Kingdom.
- (2) The first case is where—
- his registered office (or if he does not have a registered office his head office) is in the United Kingdom;
 - he is entitled to exercise rights under a single market directive as a UK firm; and
 - he is carrying on in another EEA State a regulated activity to which that directive applies.
- (3) The second case is where—
- his registered office (or if he does not have a registered office his head office) is in the United Kingdom;
 - he is the manager of a scheme which is entitled to enjoy the rights conferred by an instrument which is a relevant Community instrument for the purposes of section 264; and
 - persons in another EEA State are invited to become participants in the scheme.
- (4) The third case is where—
- his registered office (or if he does not have a registered office his head office) is in the United Kingdom;
 - the day-to-day management of the carrying on of the regulated activity is the responsibility of—
 - his registered office (or head office); or
 - another establishment maintained by him in the United Kingdom.
- (5) The fourth case is where—
- his head office is not in the United Kingdom; but
 - the activity is carried on from an establishment maintained by him in the United Kingdom.
- [^{F15}(5A) The fifth case is any other case where the activity—
- consists of the provision of an information society service to a person or persons in one or more EEA States; and
 - is carried on from an establishment in the United Kingdom.]

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- (6) For the purposes of subsections (2) to [F¹⁶(5A)] it is irrelevant where the person with whom the activity is carried on is situated.

Textual Amendments

- F14** Word in s. 418(1) substituted (18.7.2002 for certain purposes and 21.8.2002 otherwise) by [The Electronic Commerce Directive \(Financial Services and Markets\) Regulations 2002 \(S.I. 2002/1775\)](#), regs. 1, **13(3)(a)**
- F15** S. 418(5A) inserted (18.7.2002 for certain purposes and 21.8.2002 otherwise) by [The Electronic Commerce Directive \(Financial Services and Markets\) Regulations 2002 \(S.I. 2002/1775\)](#), regs. 1, **13(3)(b)**
- F16** Word in s. 418(6) substituted (18.7.2002 for certain purposes and 21.8.2002 otherwise) by [The Electronic Commerce Directive \(Financial Services and Markets\) Regulations 2002 \(S.I. 2002/1775\)](#), regs. 1, **13(3)(c)**

419 Carrying on regulated activities by way of business.

- (1) The Treasury may by order make provision—
- (a) as to the circumstances in which a person who would otherwise not be regarded as carrying on a regulated activity by way of business is to be regarded as doing so;
 - (b) as to the circumstances in which a person who would otherwise be regarded as carrying on a regulated activity by way of business is to be regarded as not doing so.
- (2) An order under subsection (1) may be made so as to apply—
- (a) generally in relation to all regulated activities;
 - (b) in relation to a specified category of regulated activity; or
 - (c) in relation to a particular regulated activity.
- (3) An order under subsection (1) may be made so as to apply—
- (a) for the purposes of all provisions;
 - (b) for a specified group of provisions; or
 - (c) for a specified provision.
- (4) “Provision” means a provision of, or made under, this Act.
- (5) Nothing in this section is to be read as affecting the provisions of section 428(3).

420 Parent and subsidiary undertaking.

- (1) In this Act, except in relation to an incorporated friendly society, “parent undertaking” and “subsidiary undertaking” have the same meaning as in [F¹⁷the Companies Acts (see section 1162 of, and Schedule 7 to, the Companies Act 2006)].
- (2) But—
- (a) “parent undertaking” also includes an individual who would be a parent undertaking for the purposes of those provisions if he were taken to be an undertaking (and “subsidiary undertaking” is to be read accordingly);
 - (b) “subsidiary undertaking” also includes, in relation to a body incorporated in or formed under the law of an EEA State other than the United Kingdom, an

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undertaking which is a subsidiary undertaking within the meaning of any rule of law in force in that State for purposes connected with implementation of the Seventh Company Law Directive (and “parent undertaking” is to be read accordingly).

- (3) In this Act “subsidiary undertaking”, in relation to an incorporated friendly society, means a body corporate of which the society has control within the meaning of section 13(9)(a) or (aa) of the ^{M5}Friendly Societies Act 1992 (and “parent undertaking” is to be read accordingly).

Textual Amendments

F17 Words in s. 420(1) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), arts. 2(2), 3(1), **Sch. 1 para. 212(1)** (with arts. 6, 11, 12)

Marginal Citations

M5 1992 c. 40.

421 Group.

- (1) In this Act “group”, in relation to a person (“A”), means A and any person who is—
- (a) a parent undertaking of A;
 - (b) a subsidiary undertaking of A;
 - (c) a subsidiary undertaking of a parent undertaking of A;
 - (d) a parent undertaking of a subsidiary undertaking of A;
 - (e) an undertaking in which A or an undertaking mentioned in paragraph (a), (b), (c) or (d) has a participating interest;
 - (f) if A or an undertaking mentioned in paragraph (a) or (d) is a building society, an associated undertaking of the society; or
 - (g) if A or an undertaking mentioned in paragraph (a) or (d) is an incorporated friendly society, a body corporate of which the society has joint control (within the meaning of section 13(9)(c) or (cc) of the ^{M6}Friendly Societies Act 1992).
- (2) “Participating interest” [^{F18}has the meaning given in section 421A]; but also includes an interest held by an individual which would be a participating interest for the purposes of those provisions if he were taken to be an undertaking.
- (3) “Associated undertaking” has the meaning given in section 119(1) of the ^{M7}Building Societies Act 1986.

Textual Amendments

F18 Words in s. 421(2) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), arts. 2(2), 3(1), **Sch. 1 para. 212(2)** (with arts. 6, 11, 12)

Marginal Citations

M6 1992 c. 40.

M7 1986 c. 53.

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^{F1}[
^{F1}421A **Meaning of “participating interest”**

- (1) In section 421 a “participating interest” means an interest held by an undertaking in the shares of another undertaking which it holds on a long-term basis for the purpose of securing a contribution to its activities by the exercise of control or influence arising from or related to that interest.
- (2) A holding of 20% or more of the shares of an undertaking is presumed to be a participating interest unless the contrary is shown.
- (3) The reference in subsection (1) to an interest in shares includes—
 - (a) an interest which is convertible into an interest in shares, and
 - (b) an option to acquire shares or any such interest;
 and an interest or option falls within paragraph (a) or (b) notwithstanding that the shares to which it relates are, until the conversion or the exercise of the option, unissued.
- (4) For the purposes of this section an interest held on behalf of an undertaking shall be treated as held by it.
- (5) In this section “undertaking” has the same meaning as in the Companies Acts (see section 1161(1) of the Companies Act 2006).]]

^{F19}422 **Controller.**

- (1) In this Act “controller”, in relation to an undertaking (“B”), means a person (“A”) who falls within any of the cases in subsection (2).
- (2) The cases are where A holds—
 - (a) 10% or more of the shares in B or in a parent undertaking of B (“P”);
 - (b) 10% or more of the voting power in B or P; or
 - (c) shares or voting power in B or P as a result of which A is able to exercise significant influence over the management of B.
- (3) For the purposes of calculations relating to this section, the holding of shares or voting power by a person (“A1”) includes any shares or voting power held by another (“A2”) if A1 and A2 are acting in concert.
- (4) In this section “shares”—
 - (a) in relation to an undertaking with a share capital, means allotted shares;
 - (b) in relation to an undertaking with capital but no share capital, means rights to share in the capital of the undertaking;
 - (c) in relation to an undertaking without capital, means interests—
 - (i) conferring any right to share in the profits, or liability to contribute to the losses, of the undertaking; or
 - (ii) giving rise to an obligation to contribute to the debts or expenses of the undertaking in the event of a winding up.
- (5) In this section “voting power”—
 - (a) includes, in relation to a person (“H”)—
 - (i) voting power held by a third party with whom H has concluded an agreement, which obliges H and the third party to adopt, by concerted

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- exercise of the voting power they hold, a lasting common policy towards the management of the undertaking in question;
- (ii) voting power held by a third party under an agreement concluded with H providing for the temporary transfer for consideration of the voting power in question;
 - (iii) voting power attaching to shares which are lodged as collateral with H, provided that H controls the voting power and declares an intention to exercise it;
 - (iv) voting power attaching to shares in which H has a life interest;
 - (v) voting power which is held, or may be exercised within the meaning of subparagraphs (i) to (iv), by a subsidiary undertaking of H;
 - (vi) voting power attaching to shares deposited with H which H has discretion to exercise in the absence of specific instructions from the shareholders;
 - (vii) voting power held in the name of a third party on behalf of H;
 - (viii) voting power which H may exercise as a proxy where H has discretion about the exercise of the voting power in the absence of specific instructions from the shareholders; and
- (b) in relation to an undertaking which does not have general meetings at which matters are decided by the exercise of voting rights, means the right under the constitution of the undertaking to direct the overall policy of the undertaking or alter the terms of its constitution.]

Textual Amendments

F19 Ss. 422, 422A substituted (21.3.2009) for s. 422 by virtue of [The Financial Services and Markets Act 2000 \(Controllers\) Regulations 2009 \(S.I. 2009/534\)](#), reg. 7, [Sch. 3](#) (with reg. 8)

422A Disregarded holdings

- (1) For the purposes of section 422, shares and voting power that a person holds in an undertaking (“B”) or in a parent undertaking of B (“P”) are disregarded in the following circumstances.
- (2) Shares held only for the purposes of clearing and settling within a short settlement cycle are disregarded.
- (3) Shares held by a custodian or its nominee in a custodian capacity are disregarded, provided that the custodian or nominee is only able to exercise voting power attached to the shares in accordance with instructions given in writing.
- (4) Shares representing no more than 5% of the total voting power in B or P held by an investment firm are disregarded, provided that it—
 - (a) holds the shares in the capacity of a market maker (as defined in article 4.1(8) of the markets in financial instruments directive);
 - (b) is authorised by its home state regulator under the markets in financial instruments directive; and
 - (c) neither intervenes in the management of B or P nor exerts any influence on B or P to buy the shares or back the share price.

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- (5) Shares held by a credit institution or investment firm in its trading book are disregarded, provided that—
- (a) the shares represent no more than 5% of the total voting power in B or P; and
 - (b) the credit institution or investment firm ensures that the voting power is not used to intervene in the management of B or P.
- (6) Shares held by a credit institution or an investment firm are disregarded, provided that—
- (a) the shares are held as a result of performing the investment services and activities of—
 - (i) underwriting shares; or
 - (ii) placing shares on a firm commitment basis in accordance with Annex I, section A.6 of the markets in financial instruments directive; and
 - (b) the credit institution or investment firm—
 - (i) does not exercise voting power represented by the shares or otherwise intervene in the management of the issuer; and
 - (ii) retains the holding for a period of less than one year.
- (7) Where a management company (as defined in Article 1a.2 of the UCITS directive) and its parent undertaking both hold shares or voting power, each may disregard holdings of the other, provided that each exercises its voting power independently of the other.
- (8) But subsection (7) does not apply if the management company—
- (a) manages holdings for its parent undertaking or an undertaking in respect of which the parent undertaking is a controller;
 - (b) has no discretion to exercise the voting power attached to such holdings; and
 - (c) may only exercise the voting power in relation to such holdings under direct or indirect instruction from—
 - (i) its parent undertaking; or
 - (ii) an undertaking in respect of which of the parent undertaking is a controller.
- (9) Where an investment firm and its parent undertaking both hold shares or voting power, the parent undertaking may disregard holdings managed by the investment firm on a client by client basis and the investment firm may disregard holdings of the parent undertaking, provided that the investment firm—
- (a) has permission to provide portfolio management;
 - (b) exercises its voting power independently from the parent undertaking; and
 - (c) may only exercise the voting power under instructions given in writing, or has appropriate mechanisms in place for ensuring that individual portfolio management services are conducted independently of any other services.
- (10) In this section “credit institution” means—
- (a) a credit institution authorised under the banking consolidation directive; or
 - (b) an institution which would satisfy the requirements for authorisation as a credit institution under that directive if it had its registered office (or if it does not have a registered office, its head office) in an EEA State.

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423 Manager.

- (1) In this Act, except in relation to a unit trust scheme or a registered friendly society, “manager” means an employee who—
 - (a) under the immediate authority of his employer is responsible, either alone or jointly with one or more other persons, for the conduct of his employer’s business; or
 - (b) under the immediate authority of his employer or of a person who is a manager by virtue of paragraph (a) exercises managerial functions or is responsible for maintaining accounts or other records of his employer.
- (2) If the employer is not an individual, references in subsection (1) to the authority of the employer are references to the authority—
 - (a) in the case of a body corporate, of the directors;
 - (b) in the case of a partnership, of the partners; and
 - (c) in the case of an unincorporated association, of its officers or the members of its governing body.
- (3) “Manager”, in relation to a body corporate, means a person (other than an employee of the body) who is appointed by the body to manage any part of its business and includes an employee of the body corporate (other than the chief executive) who, under the immediate authority of a director or chief executive of the body corporate, exercises managerial functions or is responsible for maintaining accounts or other records of the body corporate.

424 Insurance.

- (1) In this Act, references to—
 - (a) contracts of insurance,
 - (b) reinsurance,
 - (c) contracts of long-term insurance,
 - (d) contracts of general insurance,are to be read with section 22 and Schedule 2.
- (2) In this Act “policy” and “policyholder”, in relation to a contract of insurance, have such meaning as the Treasury may by order specify.
- (3) The law applicable to a contract of insurance, the effecting of which constitutes the carrying on of a regulated activity, is to be determined, if it is of a prescribed description, in accordance with regulations made by the Treasury.

Commencement Information

- II** [S. 424](#) wholly in force at 1.12.2001; [s. 424](#) not in force at Royal Assent see [s. 431\(2\)](#); [s. 424\(1\)\(2\)](#) in force and [s. 424\(3\)](#) in force for certain purposes at 25.2.2001 by [S.I. 2001/516](#), [art. 2\(a\)\(b\)](#), [Sch. Pts. 1, 2](#); [s. 424](#) in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538](#), [art. 2\(1\)](#)

Investment firm

^{F3}
F3 424A

- (1) In this Act, “investment firm” has the meaning given in Article 4.1.1 of the markets in financial instruments directive.

Status: Point in time view as at 01/10/2009. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: Financial Services and Markets Act 2000, Part XXIX is up to date with all changes known to be in force on or before 10 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)

(2) Subsection (1) is subject to subsections (3) to (5).

[^{F20}(3) References in this Act to an “investment firm” include references to a person who would be an investment firm (within the meaning of Article 4.1.1 of the markets in financial instruments directive) if—

(a) in the case of a body corporate, his registered office or, if he has no registered office, his head office, and

(b) in the case of a person other than a body corporate, his head office, were in an EEA State.]

(4) But subsection (3) does not apply if the person in question is one to whom the markets in financial instruments directive would not apply by virtue of Article 2 of that directive.

(5) References in this Act to an “investment firm” do not include references to—

(a) a person to whom the markets in financial instruments directive does not apply by virtue of Article 2 of the directive; or

(b) a person whose home Member State (within the meaning of Article 4.1.20 of the markets in financial instruments directive) is an EEA State and to whom, by reason of the fact that the State has given effect to Article 3 of that directive, that directive does not apply by virtue of that Article.]]

Textual Amendments

F20 S. 424A(3) substituted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(5), [Sch. 5 para. 21](#)

425 Expressions relating to authorisation elsewhere in the single market.

(1) In this Act—

[^{F21}(a) “banking consolidation directive”, [^{F22} “life assurance consolidation directive”] “EEA authorisation”, “EEA firm”, “EEA right”, “EEA State”, ^{F23} . . . , “first non-life insurance directive”, “insurance directives”, [^{F24} “reinsurance directive”], [^{F25} “insurance mediation directive”], “insurance mediation directive”, ^{F26} . . . [^{F27} “markets in financial instruments directive”,] “single market directives” [^{F28} “, tied agent”] and “UCITS directive” have the meaning given in Schedule 3; and]

(b) “home state regulator”, in relation to an EEA firm, has the meaning given in Schedule 3.

(2) In this Act—

(a) “home state authorisation” has the meaning given in Schedule 4;

(a) “Treaty firm” has the meaning given in Schedule 4; and

(c) “home state regulator”, in relation to a Treaty firm, has the meaning given in Schedule 4.

Status: Point in time view as at 01/10/2009. This version of this part contains provisions that are not valid for this point in time.

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Textual Amendments

- F21** S. 425(1)(a) substituted (13.2.2004) by [The Collective Investment Schemes \(Miscellaneous Amendments\) Regulations 2003 \(S.I. 2003/2066\)](#), **reg. 2(1)**
- F22** Words in s. 425(1)(a) inserted (11.1.2005) by [The Life Assurance Consolidation Directive \(Consequential Amendments\) Regulations 2004 \(S.I. 2004/3379\)](#), **reg. 6(5)(a)**
- F23** Words in s. 425(1)(a) omitted (11.1.2005) by virtue of [The Life Assurance Consolidation Directive \(Consequential Amendments\) Regulations 2004 \(S.I. 2004/3379\)](#), **reg. 6(5)(b)**
- F24** Words in s. 425(1)(a) inserted (10.12.2007) by [The Reinsurance Directive Regulations 2007 \(S.I. 2007/3253\)](#), **reg. 2(1)**, **Sch. 1 para. 5**
- F25** Words in s. 425(1)(a) inserted (14.1.2005) by virtue of [The Insurance Mediation Directive \(Miscellaneous Amendments\) Regulations 2003 \(S.I. 2003/1473\)](#), **reg. 2(1)**
- F26** Words in s. 425(1)(a) omitted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by virtue of [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), **regs. 1(2), 3(5)**, **Sch. 5 para. 22(a)**
- F27** Words in s. 425(1)(a) inserted (6.12.2006) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) \(Modification of Powers\) Regulations 2006 \(S.I. 2006/2975\)](#), **reg. 11**
- F28** Words in s. 425(1)(a) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), **regs. 1(2), 3(5)**, **Sch. 5 para. 22(b)**

VALID FROM 08/04/2010

^{F29}[^{F29} **Consumers: regulated activities etc carried on by authorised persons**

^{F29}425A

- (1) This section has effect for the purposes of the provisions of this Act which apply this section.
- (2) “Consumers” means persons who—
- use, have used or may use any of the services within subsection (3); or
 - have relevant rights or interests in relation to any of those services.
- (3) The services within this subsection are services provided by—
- authorised persons in carrying on regulated activities;
 - authorised persons who are investment firms, or credit institutions, in providing relevant ancillary services; or
 - persons acting as appointed representatives.
- (4) A person (“P”) has a “relevant right or interest” in relation to any services within subsection (3) if P has a right or interest—
- which is derived from, or is otherwise attributable to, the use of the services by others; or
 - which may be adversely affected by the use of the services by persons acting on P's behalf or in a fiduciary capacity in relation to P.
- (5) If a person is providing a service within subsection (3) as a trustee, the persons who are, have been or may be beneficiaries of the trust are to be treated as persons who use, have used or may use the service.
- (6) A person who deals with another person (“A”) in the course of A providing a service within subsection (3) is to be treated as using the service.

Status: Point in time view as at 01/10/2009. This version of this part contains provisions that are not valid for this point in time.

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(7) In this section—

“credit institution” means—

- (a) a credit institution authorised under the banking consolidation directive; or
- (b) an institution which would satisfy the requirements for authorisation as a credit institution under that directive if it had its registered office (or if does not have one, its head office) in an EEA State;

“relevant ancillary service” means any service of a kind mentioned in Section B of Annex I to the markets in financial instruments directive the provision of which does not involve the carrying on of a regulated activity.]

Textual Amendments

F29 Ss. 425A, 425B inserted (8.4.2010) by [Financial Services Act 2010 \(c. 28\)](#), ss. 24(1), 26(1)(l), [Sch. 2 para. 32](#)

VALID FROM 08/04/2010

425B Consumers: regulated activities carried on by others

- (1) This section has effect for the purposes of the provisions of this Act which apply this section.
- (2) “Consumers” means persons who, in relation to regulated activities carried on otherwise than by authorised persons, would be consumers as defined by section 425A if the activities were carried on by authorised persons.]

Textual Amendments

F29 Ss. 425A, 425B inserted (8.4.2010) by [Financial Services Act 2010 \(c. 28\)](#), ss. 24(1), 26(1)(l), [Sch. 2 para. 32](#)

Modifications etc. (not altering text)

C4 [S. 425B](#) applied (31.3.2012) by [The Financial Services and Markets Act 2000 \(Permissions, Transitional Provisions and Consequential Amendments\) \(Northern Ireland Credit Unions\) Order 2011 \(S.I. 2011/2832\)](#), [art. 11](#)

Status:

Point in time view as at 01/10/2009. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation:

Financial Services and Markets Act 2000, Part XXIX is up to date with all changes known to be in force on or before 10 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.