



Financial Services and Markets Act 2000

2000 CHAPTER 8

PART VII

CONTROL OF BUSINESS TRANSFERS

105 Insurance business transfer schemes.

- (1) A scheme is an insurance business transfer scheme if it—
 - (a) satisfies one of the conditions set out in subsection (2);
 - (b) results in the business transferred being carried on from an establishment of the transferee in an EEA State; and
 - (c) is not an excluded scheme.
- (2) The conditions are that—
 - (a) the whole or part of the business carried on in one or more member States by a UK authorised person who has permission to effect or carry out contracts of insurance (“the authorised person concerned”) is to be transferred to another body (“the transferee”);
 - (b) the whole or part of the business, so far as it consists of reinsurance, carried on in the United Kingdom through an establishment there by an EEA firm [^{F1}falling within paragraph 5(d) of Schedule 3 and qualifying for authorisation under that Schedule](“the authorised person concerned”) is to be transferred to another body (“the transferee”);
 - (c) the whole or part of the business carried on in the United Kingdom by an authorised person who is neither a UK authorised person nor an EEA firm but who has permission to effect or carry out contracts of insurance (“the authorised person concerned”) is to be transferred to another body (“the transferee”).
- (3) A scheme is an excluded scheme for the purposes of this section if it falls within any of the following cases:

(Case 1) Where the authorised person concerned is a friendly society.

Status: Point in time view as at 28/03/2009. This version of this provision has been superseded.

Changes to legislation: Financial Services and Markets Act 2000, Section 105 is up to date with all changes known to be in force on or before 12 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)

(Case 2) Where—

- (a) the authorised person concerned is a UK authorised person;
- [^{F2}(aa) the authorised person concerned is not a reinsurance undertaking (within the meaning of Article 2.1(c) of the reinsurance directive);]
- (b) the business to be transferred under the scheme is business which consists of the effecting or carrying out of contracts of reinsurance in one or more EEA States other than the United Kingdom; and
- (c) the scheme has been approved by a court in an EEA State other than the United Kingdom or by the host state regulator.

(Case 3) Where—

- (a) the authorised person concerned is a UK authorised person;
- (b) the business to be transferred under the scheme is carried on in one or more countries or territories (none of which is an EEA State) and does not include policies of insurance ^{F3}. . . against risks arising in an EEA State; and
- (c) the scheme has been approved by a court in a country or territory other than an EEA State or by the authority responsible for the supervision of that business in a country or territory in which it is carried on.

(Case 4) Where [^{F4}—

- (a) the business to be transferred under the scheme is the whole of the business of the authorised person concerned;]
- (b) all the policyholders are controllers of the firm or of firms within the same group as the firm which is the transferee, and,
- [^{F5}(c) all of the policyholders who will be affected by the transfer have consented to it.

[^{F6}(CASE 5) Where—

- (a) the business of the authorised person concerned consists solely of the effecting or carrying out of contracts of reinsurance;
- (b) the business to be transferred is the whole or part of that business;
- (c) the scheme does not fall within Case 4;
- (d) all of the policyholders who will be affected by the transfer have consented to it; and
- (e) a certificate has been obtained under paragraph 2 of Schedule 12 in relation to the proposed transfer.]

(4) The parties to a scheme which falls within Case 2, [^{F7}3, 4 or 5] may apply to the court for an order sanctioning the scheme as if it were an insurance business transfer scheme.

[^{F8}(5) If the scheme involves a compromise or arrangement falling within Part 27 of the Companies Act 2006 (mergers and divisions of public companies), the provisions of that Part (and Part 26 of that Act) apply accordingly but this does not affect the operation of this Part in relation to the scheme.]

- (8) “UK authorised person” means a body which is an authorised person and which—
 - (a) is incorporated in the United Kingdom; or
 - (b) is an unincorporated association formed under the law of any part of the United Kingdom.

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(9) “Establishment” means, in relation to a person, his head office or a branch of his.

Textual Amendments

- F1** Words in s. 105(2)(b) substituted (10.12.2007) by [The Reinsurance Directive Regulations 2007 \(S.I. 2007/3253\)](#), reg. 2(1), **Sch. 1 para. 2(1)(a)**
- F2** S. 105(3) Case 2(aa) inserted (10.12.2007) by [The Reinsurance Directive Regulations 2007 \(S.I. 2007/3253\)](#), reg. 2(1), **Sch. 1 para. 2(1)(b)**
- F3** Words in s. 105(3) Case 3(b) omitted (10.12.2007) by virtue of [The Reinsurance Directive Regulations 2007 \(S.I. 2007/3253\)](#), reg. 2(1), **Sch. 1 para. 2(1)(c)**
- F4** Words in s. 105(3) Case 4 substituted (10.12.2007) by [The Reinsurance Directive Regulations 2007 \(S.I. 2007/3253\)](#), reg. 2(1), **Sch. 1 para. 2(1)(d)(i)**
- F5** Words in s. 105(3) Case 4 substituted (10.12.2007) by [The Reinsurance Directive Regulations 2007 \(S.I. 2007/3253\)](#), reg. 2(1), **Sch. 1 para. 2(1)(d)(ii)**
- F6** S. 105(3) Case 5 inserted (10.12.2007) by [The Reinsurance Directive Regulations 2007 \(S.I. 2007/3253\)](#), reg. 2(1), **Sch. 1 para. 2(1)(e)**
- F7** Words in s. 105(4) substituted (10.12.2007) by [The Reinsurance Directive Regulations 2007 \(S.I. 2007/3253\)](#), reg. 2(1), **Sch. 1 para. 2(1)(f)**
- F8** S. 105(5) substituted (6.4.2008) for s. 105(5)-(7) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), arts. 2(2), 3(1), **Sch. 1 para. 211(1)** (with arts. 6, 11, 12)

Status:

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