STATUTORY INSTRUMENTS

2001 No. 3649

The Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001

PART 6

ENACTMENTS RELATING TO MUTUAL SOCIETIES

CHAPTER I

primary legislation

Friendly Societies Act 1992 (c. 40)

Transfer of engagements: margin of solvency

206.—(1) For paragraph 13 of Schedule 15 to the Friendly Societies Act 1992 substitute—

"**13.**—(1) The Authority shall not confirm a transfer in any case where the transferee is required by section 87 above to furnish the Authority with a report unless it is satisfied (after taking the proposed transfer into account) either that the transferee will possess the margin of solvency required by rules made by the Authority under section 138 of the Financial Services and Markets Act 2000 or, where no margin of solvency is required by such rules, that the value of the transferee's assets will exceed its liabilities.

(2) The Authority shall not confirm a transfer of any engagements the fulfilment of which will constitute effecting or carrying out contracts of insurance in the United Kingdom unless it is satisfied (after taking the proposed transfer into account) either that the transferee will possess the margin of solvency required by rules made by the Authority under section 138 of the Financial Services and Markets Act 2000 or, where no margin of solvency is required by such rules, that the value of the transferee's assets will exceed its liabilities.

(3) This paragraph does not apply to any transfer of engagements to which paragraph 15 or 15A below applies.

(4) The reference in sub-paragraph (2) to effecting or carrying out contracts of insurance must be read with—

(a) section 22 of the Financial Services and Markets Act 2000;

(b) any relevant order under that section; and

(c) Schedule 2 to that Act.".

(2) In paragraph 128 of Schedule 3 to the Financial Services and Markets Act 2000 (Mutual Societies) Order 2001—

(a) in sub-paragraph (o), for the words "paragraphs 12 and 13" substitute "paragraph 12";

(b) sub-paragraphs (p) and (q) are revoked.