
STATUTORY INSTRUMENTS

2001 No. 544

The Financial Services and Markets Act
2000 (Regulated Activities) Order 2001

PART II

SPECIFIED ACTIVITIES

CHAPTER XVII

EXCLUSIONS APPLYING TO SEVERAL SPECIFIED KINDS OF ACTIVITY

[^{F1}Local authorities

72G.—(1) There is excluded from article 5 any activity which is carried on by a local authority.

(2) There is excluded from articles 21, 25(1) and (2), 39A and 53 any activity carried on by a local authority which relates to a contract of insurance which is not a qualifying contract of insurance.

(3) There is excluded from articles [^{F2}25A(1)(b), 25A(2)], 25B, 25C, 25E, 36A, 39D, 39E, 39F, 39G, ^{F3}... 53B, 53C, 53D, 60N, ^{F3}... 63B, 63F, 63J or 89A any activity which is carried on by a local authority.

[
^{F4}(3A) There is excluded from article 25A(1)(b) and (2) any activity which is carried on by a company which is a wholly-owned subsidiary of a local authority.

(3B) ^{F5}There is excluded from articles 25A(1)(a) and (2A), 53A, 53DA and 61 any activity which is carried on by a local authority, or a company which is a wholly-owned subsidiary of a local authority, in so far as the contract ...—

[was entered into before 21st March 2016; or
^{F6}(a)

(b) is entered into on or after 21st March 2016 and—

[^{F7}(i) is an agreement to which section 423A(3) of the Act applies;]

(ii) is a bridging loan; or

(iii) is a restricted public loan in relation to which the requirements of paragraph (6) are met.]]

[
^{F8}(3C) There is excluded from article 59(1) and (1A) any activity which is carried on by a local authority.]

[
^{F9}(4) There is excluded from article 60B—

[any activity which is carried on by a local authority—
^{F10}(a)

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- (i) in relation to a credit agreement which was entered into before 21st March 2016, or which is entered into on or after that date for a purpose other than acquiring or retaining property rights in land or in an existing or projected building; and
 - (ii) in so far as the activity is carried on in relation to a credit agreement [^{F11}falling within paragraph (6A) or within section 423A(2)(a) or (b) or (3)(b), (d), (e) or (f) of the Act;]
- (b) any activity which is carried on by a local authority [^{F12}in relation to a credit agreement entered into on or after 21st March 2016], the purpose of which is to acquire or retain property rights in land or in an existing or projected building, in so far as the credit agreement meets one of the following conditions—
- [^{F13}(i) it is an agreement to which section 423A(3) of the Act applies;]
 - (ii) it is a bridging loan; or
 - (iii) it is a restricted public loan in relation to which the requirements of paragraph (6) are met.]

- [^{F14}(4A) A reference in paragraph (4) to any land or building—
- (a) in relation to an agreement entered into before IP completion day, is a reference to any land or building in the United Kingdom or within the territory of an EEA State;
 - (b) in relation to an agreement entered into on or after IP completion day, is a reference to any land or building in the United Kingdom.]
- (5) There is excluded from article 64 any agreement made by a local authority to carry on an activity of the kind excluded by paragraphs (2) to (4).

- [^{F15}(6) The requirements of this paragraph are that—
- (a) the borrower receives timely information on the main features, risks and costs of the loan at the pre-contractual stage; and
 - (b) any advertising of the loan is fair, clear and not misleading.

- [^{F16}(6A) The following credit agreements fall within this paragraph—
- (a) an agreement involving a total amount of credit of less than 200 euro;
 - (b) an agreement that involves a total amount of credit of more than 75,000 euro, other than an unsecured credit agreement the purpose of which is the renovation of a residential immovable property;
 - (c) a hiring or leasing agreement under which an obligation to purchase the object of the agreement is not laid down either by the agreement itself or by any separate agreement;
 - (d) an agreement under which the credit is granted free of interest and without any other charges;
 - (e) an agreement under which the credit has to be repaid within three months and only insignificant charges are payable;
 - (f) an agreement concluded with an investment firm or a credit institution for the purposes of allowing an investor to carry out a transaction relating to one or more of the instruments listed in Part 1 of Schedule 2, where the investment firm or credit institution granting the credit is involved in that transaction;

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- (g) an agreement under which the consumer's liability is strictly limited to an item that the consumer is requested to deposit, upon the conclusion of the agreement, as security in the creditor's safe-keeping;
- (h) an agreement that relates to a restricted public loan.

(6B) For the purposes of subsection (6A)(c), an obligation to purchase the object of the agreement is deemed to exist if the creditor decides that it does.]

(7) In this article—

“bridging loan” has the meaning given by [^{F17}article 60G(9)];

“borrower” means a person receiving credit;

[^{F18}“consumer” means an individual who is acting for purposes outside those of any trade, business or profession carried on by the individual;]

^{F19} ...

“credit” includes a cash loan and any other form of financial accommodation;

“restricted public loan” means credit that is—

- (a) offered to a particular class of borrower and not offered to the public generally;
- (b) offered under an enactment with a general interest purpose; and
- (c) provided on terms which are more favourable to the borrower than those prevailing on the market, because the credit meets one of the following conditions—
 - (i) it is interest free;
 - (ii) the rate of interest is lower than that prevailing on the market; or
 - (iii) the rate of interest is no higher than that prevailing on the market but the other terms on which the credit is provided are more favourable to the borrower; and

“wholly-owned subsidiary” has the same meaning as in section 1159 (meaning of “subsidiary” etc.) of the Companies Act 2006 and, for the purposes of this definition, a local authority is to be treated as a body corporate.]]

Textual Amendments

- F1** Arts. 72G, 72H inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2014 \(S.I. 2014/366\)](#), art. 1(3)(4), **2(43)**
- F2** Words in art. 72G(3) substituted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), **Sch. 1 para. 4(27)(a)(i)** (with Pt. 4)
- F3** Words in art. 72G(3) omitted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by virtue of [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), **Sch. 1 para. 4(27)(a)(ii)** (with Pt. 4)
- F4** Art. 72G(3A)(3B) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), **Sch. 1 para. 4(27)(b)** (with Pt. 4)
- F5** Word in art. 72G(3B) omitted (17.3.2016 for specified purposes, 21.3.2016 in so far as not already in force) by virtue of [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2016 \(S.I. 2016/392\)](#), art. 1(2)(3)(c), **2(20)(a)(i)** (with Pt. 5)
- F6** Art. 72G(3B)(a)(b) substituted for arts. 72G(3B)(a)-(c) (17.3.2016 for specified purposes, 21.3.2016 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2016 \(S.I. 2016/392\)](#), art. 1(2)(3)(c), **2(20)(a)(ii)** (with Pt. 5)

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- F7** Art. 72G(3B)(b)(i) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **151(2)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3)); 2020 c. 1, Sch. 5 para. 1(1)
- F8** Art. 72G(3C) inserted (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **2(7)**
- F9** Art. 72G(4) substituted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 4(27)(c)** (with Pt. 4)
- F10** Art. 72G(4)(a) substituted (17.3.2016 for specified purposes, 21.3.2016 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2016 (S.I. 2016/392), art. 1(2)(3)(c), **2(20)(b)(i)** (with Pt. 5)
- F11** Words in art. 72G(4)(a)(ii) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **151(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3)); 2020 c. 1, Sch. 5 para. 1(1)
- F12** Words in art. 72G(4)(b) inserted (17.3.2016 for specified purposes, 21.3.2016 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2016 (S.I. 2016/392), art. 1(2)(3)(c), **2(20)(b)(ii)** (with Pt. 5)
- F13** Art. 72G(4)(b)(i) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **151(4)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3)); 2020 c. 1, Sch. 5 para. 1(1)
- F14** Art. 72G(4A) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **151(5)** (with savings in S.I. 2019/680, **reg. 11** (as amended by S.I. 2019/1212, regs. 1(3), **22(3)** and S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(s)**); 2020 c. 1, **Sch. 5 para. 1(1)**)
- F15** Art. 72G(6)(7) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 4(27)(d)** (with Pt. 4)
- F16** Art. 72G(6A)(6B) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **151(6)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3)); 2020 c. 1, Sch. 5 para. 1(1)
- F17** Words in art. 72G(7) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **151(7)(a)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3)); 2020 c. 1, Sch. 5 para. 1(1)
- F18** Words in art. 72G(7) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **151(7)(b)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3)); 2020 c. 1, Sch. 5 para. 1(1)
- F19** Words in art. 72G(7) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **151(7)(c)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3)); 2020 c. 1, Sch. 5 para. 1(1)

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

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

- Sch. 3 Pt. 1 para. 2(c) words substituted by [S.I. 2023/548 art. 2\(5\)](#)