STATUTORY INSTRUMENTS

2003 No. 1475

The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 1) Order 2003

PART 2

AMENDMENTS TO THE REGULATED ACTIVITIES ORDER

Exclusion of arrangements consisting of an introduction to an authorised person etc.

11. After article 33 of the Regulated Activities Order insert—

"**Introducing to authorised persons etc.**

33A.—(1) There are excluded from article 25A(2) arrangements where—

(a) they are arrangements under which a client is introduced to a person ("N") who is—

  (i) an authorised person who has permission to carry on a regulated activity of the kind specified by any of articles 25A, 53A, and 61(1),

  (ii) an appointed representative who may carry on a regulated activity of the kind specified by either of articles 25A and 53A without contravening the general prohibition, or

  (iii) an overseas person who carries on activities specified by any of articles 25A, 53A and 61(1); and

(b) the conditions mentioned in paragraph (2) are satisfied.

(2) Those conditions are—

(a) that the person making the introduction ("P") does not receive any money, other than money payable to P on his own account, paid by the client for or in connection with any transaction which the client enters into with or through N as a result of the introduction; and

(b) that before making the introduction P discloses to the client such of the information mentioned in paragraph (3) as applies to P.

(3) That information is—

(a) that P is a member of the same group as N;

(b) details of any payment which P will receive from N, by way of fee or commission, for introducing the client to N;

(c) an indication of any other reward or advantage received or to be received by P that arises out of his introducing clients to N.

(4) In this article, "client" means a borrower, within the meaning given by article 61(3)(a)(i), or a person who is or may be contemplating entering into a regulated mortgage contract as such a borrower (as the case may be).".