
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the threshold conditions set out in Schedule 6 to the Financial Services and Markets Act 2000 (c.8) (“the 2000 Act”). In giving or varying permission under Part 4A of that Act or imposing or varying a requirement or giving consent under that Part, the Financial Conduct Authority (“FCA”) or Prudential Regulation Authority (“PRA”) must ensure that the person concerned will satisfy, and continue to satisfy the relevant threshold conditions for which that regulator is responsible. Part 4A of the 2000 Act was inserted by the Financial Services Act 2012 (c.21) and replaces Part 4 of the 2000 Act. The functions of the FCA and PRA are set out in the 2000 Act, as amended by the Financial Services Act 2012.

Part 1B of Schedule 6, as inserted by this Order, sets out the conditions for which the FCA is responsible where the person concerned carries on, or is seeking to carry on, regulated activities which do not consist of or include a PRA-regulated activity.

Part 1C of Schedule 6, as inserted by this Order, sets out the conditions for which the FCA is responsible where the person concerned carries on, or is seeking to carry on, a PRA-regulated activity.

Part 1D of Schedule 6, as inserted by this Order, sets out the conditions for which the PRA is responsible where the person concerned carries on, or is seeking to carry on, a PRA-regulated activity relating to the effecting or carrying out of contracts of insurance or in connection with Lloyd’s.

Part 1E of Schedule 6, as inserted by this Order, sets out the conditions for which the PRA is responsible where the person concerned carries on any other PRA-regulated activity.

Part 1F of Schedule 6, as inserted by this Order, sets out the conditions for which the FCA and PRA are responsible where the person concerned qualifies for authorisation under Schedule 3 to the Act (EEA passporting rights).

Part 1G of Schedule 6, as inserted by this Order, sets out the conditions for which the FCA and PRA are responsible where the person concerned qualifies for authorisation under Schedule 4 to the Act (Treaty rights).

A full impact assessment of the effect that this Order will have on the costs of business and the voluntary sector is available from, Her Majesty’s Treasury, 1 Horse Guards Road, London SW1A 2HQ or on www.hm-treasury.gov.uk and is published alongside the Order on www.legislation.gov.uk.