
STATUTORY INSTRUMENTS

2016 No. 1032

**The Financial Services and Markets Act 2000
(Ring-fenced Bodies, Core Activities, Excluded
Activities and Prohibitions) (Amendment) Order 2016**

Amendments to the Financial Services and Markets Act 2000 (Ring-fenced Bodies and Core Activities) Order 2014

2.—(1) The Financial Services and Markets Act 2000 (Ring-fenced Bodies and Core Activities) Order 2014⁽¹⁾ is amended as follows.

(2) In article 1—

(a) after the definition of “deposit” insert—

““EEA account” has the meaning given in article 2(3)(b);

“EEA account holder” means the holder of an EEA account;”;

(b) omit the following definitions—

(i) “qualifying organisation declaration”; and

(ii) “qualifying group member declaration”;

(c) after the definition of “registered society” insert—

““relevant financial year” in relation to an organisation means—

(a) the last completed financial year for which accounting records are available, or

(b) where the organisation has existed for less than one financial year, its first financial year;”;

(d) in the definition of “UK deposit-taker” for “an institution” substitute “a body corporate incorporated in the United Kingdom”.

(3) For article 3 substitute—

“Meaning of qualifying organisation

3.—(1) An organisation is a qualifying organisation in relation to a UK deposit-taker if that deposit-taker, having made reasonable inquiries, determines that the organisation meets the relevant qualifying condition for the relevant financial year.

(2) The relevant qualifying condition is set out—

(a) in the case of a body corporate⁽²⁾ or a partnership, in article 4;

(b) in the case of an organisation which is not a body corporate or a partnership, in article 5.

⁽¹⁾ [S.I. 2014/1960](#).

⁽²⁾ “Body corporate” is defined in section 417(1) of the Financial Services and Markets Act 2000. There are amendments to that section, but none are relevant to this Order.

- (3) Upon making a determination in accordance with paragraph (1), a UK deposit-taker must give notice to the organisation in writing—
- (a) informing the organisation that the UK deposit-taker has made that determination;
 - (b) stating the reasons why the UK deposit-taker made that determination; and
 - (c) notifying the organisation that it has fourteen days from the date upon which the notice is given in which to submit representations to the UK deposit-taker if the organisation considers that the UK deposit-taker’s determination was based on a mistake of fact.”.
- (4) In article 4(3) for sub-paragraph (b) substitute—
- “(b) where the UK deposit-taker—
- (i) makes a determination as to whether the organisation meets the qualifying condition during the organisation’s first financial year; and
 - (ii) at the time the determination is made, the organisation has not yet prepared a balance sheet;
- the aggregate of the amounts which would be shown as assets in a balance sheet prepared not more than six weeks before the date upon which that determination is made.”.
- (5) Omit articles 6 and 7.
- (6) For article 8 substitute—

“Meaning of qualifying group member

- 8.—(1)** An organisation is a qualifying group member in relation to a UK deposit-taker if that deposit-taker determines that the organisation is a member of the same group⁽³⁾ as a qualifying organisation.
- (2) Upon making a determination that an organisation is a qualifying group member, a UK deposit-taker must give notice to the organisation in writing—
- (a) informing the organisation that the UK deposit-taker has reached that determination;
 - (b) specifying the identity of the relevant qualifying organisation; and
 - (c) notifying the organisation that it has fourteen days from the date upon which the notice is given in which to submit representations to the UK deposit-taker if the organisation considers that the UK deposit-taker’s determination was based on a mistake of fact.
- (3) A notice given pursuant to paragraph (2) may be given at the same time as a notice given pursuant to article 3(3).”.
- (7) In article 14(1)—
- (a) in sub-paragraph (a) for “an account” substitute “an EEA account for the purpose of making one or more deposits”;
 - (b) in sub-paragraph (b)—
 - (i) insert “EEA” at the beginning; and
 - (ii) after “individuals” insert “who use the account for the purpose of making one or more deposits”.

(3) “Group” is defined in section 421 of the Financial Services and Markets Act 2000. Section 421 was amended by [S.I. 2008/948](#).