

2024 No. 301

FINANCIAL SERVICES AND MARKETS

**The Financial Services and Markets Act 2000 (Financial Promotion)
(Amendment and Transitional Provision) Order 2024**

<i>Made</i>	- - - -	<i>5th March 2024</i>
<i>Laid before Parliament</i>		<i>6th March 2024</i>
<i>Coming into force</i>	- -	<i>27th March 2024</i>

The Treasury make the following Order in exercise of the powers conferred by sections 21(5) and (6), 238(6) and (7), 426(1) and (2) of the Financial Services and Markets Act 2000(a).

Citation, commencement and extent

1.—(1) This Order may be cited as the Financial Services and Markets Act 2000 (Financial Promotion) (Amendment and Transitional Provision) Order 2024.

(2) This Order comes into force on 27th March 2024.

(3) This Order extends to England and Wales, Scotland and Northern Ireland.

Interpretation

2. In this Order—

“the FPO” means the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005(b);

“the PCIS” means the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001(c).

Amendment of the PCIS (statements for high net worth individuals and self-certified sophisticated investors)

3.—(1) The PCIS is amended as follows.

(2) For the statement appended at Part 1 of the Schedule to the PCIS, substitute the statement appended at Schedule 1.

(3) For the statement appended at Part 2 of the Schedule to the PCIS, substitute the statement appended at Schedule 2.

(a) 2000 c. 8.

(b) S.I. 2005/1529, amended by S.I. 2023/1411; there are other amending instruments but none is relevant.

(c) S.I. 2001/1060, amended by S.I. 2023/1411; there are other amending instruments but none is relevant.

Amendment of the FPO (statements for high net worth individuals and self-certified sophisticated investors)

4.—(1) The FPO is amended as follows.

(2) For the statement appended at Part 1 of Schedule 5 to the FPO, substitute the statement appended at Schedule 3.

(3) For the statement appended at Part 2 of Schedule 5 to the FPO, substitute the statement appended at Schedule 4.

Transitional provisions

5.—(1) Before 31st January 2025, despite the amendment made by article 3(2), Part 1 of the Schedule to the PCIS will be treated as also appending, in the alternative to the statement substituted by article 3(2), the statement appended to Part 1 of the Schedule to the PCIS (as it is immediately before this Order comes into force).

(2) Before 31st January 2025, despite the amendment made by article 3(3), Part 2 of the Schedule to the PCIS will be treated as also appending, in the alternative to the statement substituted by article 3(3), the statement appended to Part 2 of the Schedule to the PCIS (as it is immediately before this Order comes into force).

(3) Before 31st January 2025, despite the amendment made by article 4(2), Part 1 of Schedule 5 to the FPO will be treated as also appending, in the alternative to the statement substituted by article 4(2), the statement appended to Part 1 of Schedule 5 to the FPO (as it is immediately before this Order comes into force).

(4) Before 31st January 2025, despite the amendment made by article 4(3), Part 2 of Schedule 5 to the FPO will be treated as also appending, in the alternative to the statement substituted by article 4(3), the statement appended to Part 2 of Schedule 5 to the FPO (as it is immediately before this Order comes into force).

(5) After 30th January 2025, paragraphs (1) to (4) have no effect for any purpose, including in relation to whether an individual has within twelve months completed and signed—

(a) a statement complying with Part 1 or Part 2 of the Schedule to the PCIS, or

(b) a statement complying with Part 1 or Part 2 of Schedule 5 to the FPO,

for the purposes of articles 21(2)(a) or 23A(1)(a) of the PCIS or articles 48(2)(a) or 50A(1)(a) of the FPO, as the case may be.

5th March 2024

Joy Morrissey
Amanda Milling
Two of the Lords Commissioners of His Majesty's Treasury

SCHEDULES

SCHEDULE 1

Article 3(2)

High Net Worth Individual Investor Statement

HIGH NET WORTH INDIVIDUAL INVESTOR STATEMENT
<p>If you meet condition A or B below, you may choose to be classified as a high net worth individual for the purposes of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001.</p> <p>In the last financial year, did you have:</p> <p>A) An annual income of £100,000 or more? Income does <u>NOT</u> include any one-off pension withdrawals.</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p> <p>If yes, please specify your income (as defined above) to the nearest £10,000 in the last financial year [£_____]</p> <p>AND/OR</p> <p>B) Net assets of £250,000 or more? Net assets do <u>NOT</u> include: your home (primary residence), any loan secured on it or any equity released from it; your pension (or any pension withdrawals) or any rights under insurance contracts. Net assets are total assets minus any debts you owe.</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p> <p>If yes, please specify your net assets (as defined above) to the nearest £100,000 in the last financial year [£_____]</p> <p>OR</p> <p>C) None of these apply to me.</p> <p><input type="checkbox"/> Yes</p>
<p>I declare that I have answered yes to A and/or B, and wish to be treated as a high net worth individual.</p> <p>I understand that this means:</p> <p>a) I can receive financial promotions where the contents may not comply with rules made by the Financial Conduct Authority (FCA);</p> <p>b) I can expect no protection from the FCA, the Financial Ombudsman Service, or the Financial Services Compensation Scheme.</p> <p>I am aware that it is open to me to seek advice from someone who specialises in advising on investments.</p> <p>I accept that I could lose all of the money I invest.</p> <p>Signature _____ Date _____</p>

SCHEDULE 2

Article 3(3)

Self-Certified Sophisticated Investor Statement

SELF-CERTIFIED SOPHISTICATED INVESTOR STATEMENT
<p>If you meet condition A, B, C or D below, you may choose to be classified as a self-certified sophisticated investor for the purposes of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001.</p> <p>Have you:</p> <p>A) Worked in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises, in the last two years?</p> <p style="text-align: center;"> <input type="checkbox"/> No <input type="checkbox"/> Yes </p> <p style="padding-left: 40px;">If yes, what is/was the name of the business/organisation? [_____]</p> <p>B) Been the director of a company with an annual turnover of at least £1 million, in the last two years?</p> <p style="text-align: center;"> <input type="checkbox"/> No <input type="checkbox"/> Yes </p> <p style="padding-left: 40px;">If yes, what is/was the name of the company, and its Companies House number (or international equivalent)? [_____]</p> <p>C) Made two or more investments in an unlisted company, in the last two years?</p> <p style="text-align: center;"> <input type="checkbox"/> No <input type="checkbox"/> Yes </p> <p style="padding-left: 40px;">If yes, how many investments in unlisted companies have you made in the last two years? [_____]</p> <p>D) Been a member of a network or syndicate of business angels for more than six months, and are still a member?</p> <p style="text-align: center;"> <input type="checkbox"/> No <input type="checkbox"/> Yes </p> <p style="padding-left: 40px;">If yes, what is the name of the network or syndicate? [_____]</p> <p>OR</p> <p>E) None of these apply to me.</p> <p style="text-align: center;"> <input type="checkbox"/> Yes </p>
<p>I declare that I have answered yes to A and/or B and/or C and/or D, and wish to be treated as a self-certified sophisticated investor.</p> <p>I understand that this means:</p> <p style="padding-left: 40px;">a) I can receive financial promotions where the contents may not comply with rules made by the Financial Conduct Authority (FCA);</p> <p style="padding-left: 40px;">b) I can expect no protection from the FCA, the Financial Ombudsman Service, or the Financial Services Compensation Scheme.</p> <p>I am aware that it is open to me to seek advice from someone who specialises in advising on investments.</p> <p>I accept that I could lose all of the money I invest.</p> <p>Signature _____ Date _____</p>

SCHEDULE 3

Article 4(2)

High Net Worth Individual Investor Statement

HIGH NET WORTH INDIVIDUAL INVESTOR STATEMENT
<p>If you meet condition A or B below, you may choose to be classified as a high net worth individual for the purposes of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.</p> <p>In the last financial year, did you have:</p> <p>A) An annual income of £100,000 or more? Income does <u>NOT</u> include any one-off pension withdrawals.</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p> <p>If yes, please specify your income (as defined above) to the nearest £10,000 in the last financial year [£_____]</p> <p>AND/OR</p> <p>B) Net assets of £250,000 or more? Net assets do <u>NOT</u> include: your home (primary residence), any loan secured on it or any equity released from it; your pension (or any pension withdrawals) or any rights under insurance contracts. Net assets are total assets minus any debts you owe.</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p> <p>If yes, please specify your net assets (as defined above) to the nearest £100,000 in the last financial year [£_____]</p> <p>OR</p> <p>C) None of these apply to me.</p> <p><input type="checkbox"/> Yes</p>
<p>I declare that I have answered yes to A and/or B, and wish to be treated as a high net worth individual.</p> <p>I understand that this means:</p> <ul style="list-style-type: none">a) I can receive financial promotions where the contents may not comply with rules made by the Financial Conduct Authority (FCA);b) I can expect no protection from the FCA, the Financial Ombudsman Service or the Financial Services Compensation Scheme. <p>I am aware that it is open to me to seek advice from someone who specialises in advising on investments.</p> <p>I accept that I could lose all of the money I invest.</p> <p>Signature _____ Date _____</p>

SCHEDULE 4

Article 4(3)

Self-Certified Sophisticated Investor Statement

SELF-CERTIFIED SOPHISTICATED INVESTOR STATEMENT
<p>If you meet condition A, B, C or D below, you may choose to be classified as a self-certified sophisticated investor for the purposes of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.</p> <p>Have you:</p> <p>A) Worked in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises, in the last two years?</p> <p style="text-align: center;"> <input type="checkbox"/> No <input type="checkbox"/> Yes </p> <p style="padding-left: 40px;">If yes, what is/was the name of the business/organisation? _____</p> <p>B) Been the director of a company with an annual turnover of at least £1 million, in the last two years?</p> <p style="text-align: center;"> <input type="checkbox"/> No <input type="checkbox"/> Yes </p> <p style="padding-left: 40px;">If yes, what is/was the name of the company, and its Companies House number (or international equivalent)? _____</p> <p>C) Made two or more investments in an unlisted company, in the last two years?</p> <p style="text-align: center;"> <input type="checkbox"/> No <input type="checkbox"/> Yes </p> <p style="padding-left: 40px;">If yes, how many investments in unlisted companies have you made in the last two years? _____</p> <p>D) Been a member of a network or syndicate of business angels for more than six months, and are still a member?</p> <p style="text-align: center;"> <input type="checkbox"/> No <input type="checkbox"/> Yes </p> <p style="padding-left: 40px;">If yes, what is the name of the network or syndicate? _____</p> <p>OR</p> <p>E) None of these apply to me.</p> <p style="text-align: center;"> <input type="checkbox"/> Yes </p>
<p>I declare that I have answered yes to A and/or B and/or C and/or D, and wish to be treated as a self-certified sophisticated investor.</p> <p>I understand that this means:</p> <ul style="list-style-type: none"> a) I can receive financial promotions where the contents may not comply with rules made by the Financial Conduct Authority (FCA); b) I can expect no protection from the FCA, the Financial Ombudsman Service, or the Financial Services Compensation Scheme. <p>I am aware that it is open to me to seek advice from someone who specialises in advising on investments.</p> <p>I accept that I could lose all of the money I invest.</p> <p>Signature _____ Date _____</p>

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (S.I. 2001/1060) (“PCIS”) and the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (S.I. 2005/1529) (“FPO”).

Article 3 substitutes the statements in the Schedule to the PCIS with amended statements. Article 4 substitutes the statements in Schedule 5 to the FPO with amended statements.

In relation to the high net worth individual investor statements, for the purposes of the PCIS and FPO respectively: the annual income condition has been reduced from £170,000 or more to £100,000 or more, and the net assets condition has been reduced from £430,000 or more to £250,000 or more.

In relation to the self-certified sophisticated investor statements, for the purposes of the PCIS and FPO respectively: the condition of having been a director of a company that has a turnover of at least £1,600,000, has been reduced to at least £1,000,000, and a provision has been inserted so that an individual can be considered a self-certified sophisticated investor if they have made two or more investments in an unlisted company in the two years prior to the date when the statement is completed and signed and they state how many such investments they have made in that time.

Article 5 makes transitional provisions. Paragraphs (1) to (4) set out that before 31st January 2025, the statements appended to the Schedule to the PCIS and Schedule 5 to the FPO (as they are prior to being substituted by this Order) will have effect as alternative statements to those inserted by this Order. Paragraph 5 provides that paragraphs (1) to (4) have no effect for any purpose after 30th January 2025.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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