

Status: Point in time view as at 03/09/2001. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: Financial Services and Markets Act 2000, Part I is up to date with all changes known to be in force on or before 25 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 6

THRESHOLD CONDITIONS

Modifications etc. (not altering text)

C1 Sch. 6 modified (3.9.2001) by S.I. 2001/2507, arts. 1(1), 3(1); S.I. 2001/2632, art. 2(2), Sch. Pt. 2

PART I

PART IV PERMISSION

Legal status

- 1 (1) If the regulated activity concerned is the effecting or carrying out of contracts of insurance the authorised person must be a body corporate [^{F1}(other than a limited liability partnership)], a registered friendly society or a member of Lloyd's.
- (2) If the person concerned appears to the Authority to be seeking to carry on, or to be carrying on, a regulated activity constituting accepting deposits, it must be—
 - (a) a body corporate; or
 - (b) a partnership.

Textual Amendments

F1 Words in Sch. 6 para. 1(1) inserted (3.9.2001) by S.I. 2001/2507, arts. 1(1), 2; S.I. 2001/2632, art. 2(2), Sch. Pt. 2

Location of offices

- 2 (1) If the person concerned is a body corporate constituted under the law of any part of the United Kingdom—
 - (a) its head office, and
 - (b) if it has a registered office, that office,must be in the United Kingdom.
- (2) If the person concerned has its head office in the United Kingdom but is not a body corporate, it must carry on business in the United Kingdom.

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VALID FROM 19/01/2003

Appointment of claims representatives

- [^{F2}]
^{F2A}
- (1) If it appears to the Authority that—
- (a) the regulated activity that the person concerned is carrying on, or is seeking to carry on, is the effecting or carrying out of contracts of insurance, and
 - (b) contracts of insurance against damage arising out of or in connection with the use of motor vehicles on land (other than carrier’s liability) are being, or will be, effected or carried out by the person concerned,
- that person must have a claims representative in each EEA State other than the United Kingdom.
- (2) For the purposes of sub-paragraph (1)(b), contracts of reinsurance are to be disregarded.
- (3) A claims representative is a person with responsibility for handling and settling claims arising from accidents of the kind mentioned in Article 1(2) of the fourth motor insurance directive.
- (4) In this paragraph “fourth motor insurance directive” means Directive [2000/26/EC](#) of the European Parliament and of the Council of 16th May 2000 on the approximation of the laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles and amending Council Directives [73/239/EEC](#) and [88/357/EEC](#).]]

Textual Amendments

- F2** Sch. 6 para. 2A inserted (19.1.2003) by [The Financial Services and Markets Act 2000 \(Variation of Threshold Conditions\) Order 2002 \(S.I. 2002/2707\)](#), **art. 2**

Close links

- 3 (1) If the person concerned (“A”) has close links with another person (“CL”) the Authority must be satisfied—
- (a) that those links are not likely to prevent the Authority’s effective supervision of A; and
 - (b) if it appears to the Authority that CL is subject to the laws, regulations or administrative provisions of a territory which is not an EEA State (“the foreign provisions”), that neither the foreign provisions, nor any deficiency in their enforcement, would prevent the Authority’s effective supervision of A.
- (2) A has close links with CL if—
- (a) CL is a parent undertaking of A;
 - (b) CL is a subsidiary undertaking of A;
 - (c) CL is a parent undertaking of a subsidiary undertaking of A;
 - (d) CL is a subsidiary undertaking of a parent undertaking of A;
 - (e) CL owns or controls 20% or more of the voting rights or capital of A; or
 - (f) A owns or controls 20% or more of the voting rights or capital of CL.

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- (3) “Subsidiary undertaking” includes all the instances mentioned in Article 1(1) and (2) of the Seventh Company Law Directive in which an entity may be a subsidiary of an undertaking.

Modifications etc. (not altering text)

C1 Sch. 6 para. 3 restricted (3.9.2001) by S.I. 2001/2507, arts. 1(1), 3(3); S.I. 2001/2632, art. 2(2), Sch. Pt. 2

Adequate resources

- 4 (1) The resources of the person concerned must, in the opinion of the Authority, be adequate in relation to the regulated activities that he seeks to carry on, or carries on.
- (2) In reaching that opinion, the Authority may—
- (a) take into account the person’s membership of a group and any effect which that membership may have; and
 - (b) have regard to—
 - (i) the provision he makes and, if he is a member of a group, which other members of the group make in respect of liabilities (including contingent and future liabilities); and
 - (ii) the means by which he manages and, if he is a member of a group, which other members of the group manage the incidence of risk in connection with his business.

Modifications etc. (not altering text)

C2 Sch. 6 para. 4 restricted (3.9.2001) by S.I. 2001/2507, arts. 1(1), 3(3); S.I. 2001/2632, art. 2(2), Sch. Pt. 2

Suitability

- 5 The person concerned must satisfy the Authority that he is a fit and proper person having regard to all the circumstances, including—
- (a) his connection with any person;
 - (b) the nature of any regulated activity that he carries on or seeks to carry on; and
 - (c) the need to ensure that his affairs are conducted soundly and prudently.

Modifications etc. (not altering text)

C3 Sch. 6 para. 5 restricted (3.9.2001) by S.I. 2001/2507, arts. 1(1), 3(3); S.I. 2001/2632, art. 2(2), Sch. Pt. 2

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