
STATUTORY INSTRUMENTS

2004 No. 3351

The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004.

(2) This Order comes into force—

- (a) for the purposes of article 4, on 10th January 2005;
- (b) for all other purposes, on 14th January 2005.

(3) In this Order—

“the Act” means the Financial Services and Markets Act 2000;

“an approved person” means a person in relation to whom the Authority has given its approval under section 59 of the Act;

“commencement” means 14th January 2005;

“contract of long-term care insurance” has the meaning given by the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2003⁽¹⁾;

“general insurance mediation activity” means any regulated activity of the kind specified by article 21, 25, 39A or 53 of the Regulated Activities Order⁽²⁾, or article 64 of that Order so far as relevant to any such activity, which is carried on in relation to a contract of insurance which is not a qualifying contract of insurance or a contract of long-term care insurance;

“an interim approval” means an approval conferred by article 3;

“an interim permission” means a Part IV permission conferred by article 2;

“qualifying contract of insurance” has the meaning given by the Regulated Activities Order;

“the Regulated Activities Order” means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

“the Tribunal” means the Financial Services and Markets Tribunal.

Applications for Part IV permission etc

2.—(1) This article applies where before commencement the Authority has received—

- (i) any completed application for a Part IV permission; or
- (ii) any completed application to vary a Part IV permission,

to the extent that the application relates to any general insurance mediation activity.

(2) Where an application to which this article applies has not been finally decided before commencement, the applicant is to be treated as having, at commencement, an interim permission

(1) S.I.2003/1476.

(2) S.I. 2001/544. Article 39A was inserted by S.I. 2003/1476, art. 7.

to carry on the activity to which the application relates until the permission lapses in accordance with paragraph (3).

(3) Without prejudice to the exercise by the Authority of its powers under Part IV of the Act, an interim permission lapses on whichever is the earliest of the following dates—

- (a) when the application has been finally decided;
- (b) 14th January 2006.

(4) For the purposes of this article, an application has been finally decided—

- (a) when the application is (with the consent of the Authority) withdrawn;
- (b) when the Authority grants permission under section 42 of the Act to carry on the activity in question;
- (c) where the Authority has refused an application and the matter is not referred to the Tribunal, on the date on which the right to refer the matter to the Tribunal expires;
- (d) where the Authority has refused an application and the matter is referred to the Tribunal, when the reference is determined by the Tribunal.

(5) Where—

- (a) the Authority has exercised its powers under section 53 of the Act in respect of the activities covered by a person's interim permission; and
- (b) the operation of paragraph (3) would result in there being no regulated activities for which that person has a Part IV permission,

the interim permission does not lapse but remains in force (as varied by the Authority under section 53) until it is cancelled by the Authority; and the Authority must cancel the interim permission once it is satisfied that it is no longer necessary to keep the interim permission in force.

Interim approval

3.—(1) This article applies where before commencement—

- (a) the Authority has received a completed application made under section 60 of the Act (applications for approval by the Authority of persons carrying on controlled functions under section 59) from a person who has submitted an application falling within article 2(1); and
- (b) the application has not been finally decided.

(2) The person in respect of whom the application is made is to be treated, as from commencement, as having the Authority's approval ("an interim approval") for the purposes of section 59 of the Act in relation to the functions to which the application relates until the approval lapses in accordance with paragraph (3).

(3) Without prejudice to the exercise by the Authority of its powers under Part V of the Act, an interim approval lapses on whichever is the earliest of the following dates—

- (a) when the application has been finally decided;
- (b) 14th January 2006.

(4) For the purposes of this article, an application has been finally decided—

- (a) when the application is withdrawn;
- (b) when the Authority grants an application for approval under section 62 of the Act;
- (c) where the Authority has refused an application and the matter is not referred to the Tribunal, on the date on which the right to refer the matter to the Tribunal expires;

- (d) where the Authority has refused an application and the matter is referred to the Tribunal, when the reference is determined by the Tribunal.

Application of the Authority's rules etc to persons with interim permission or interim approval

4.—(1) The Authority may direct that any relevant provision which would otherwise apply to a person by virtue of his interim permission or interim approval is not to apply, or is to apply to him as modified in the way specified in the direction.

(2) Where the Authority makes a rule, gives guidance or issues a statement or code which applies only to persons with an interim permission or an interim approval (or only to a class of such persons), sections 65, 155 and 157(3) of the Act do not apply to that rule, guidance, statement or code.

(3) For the purposes of paragraph (1) a relevant provision is any provision made as a result of the exercise by the Authority of its legislative functions within the meaning of paragraph 1 of Schedule 1 to the Act.

(4) Where the Authority takes action pursuant to this article before 20th January 2005, paragraph 5(2) of Schedule 1 to the Act does not (to the extent that it otherwise would) apply.

Application of the Act etc

5. The Schedule to this Order makes provision about the application of the Act and of certain provisions made under the Act in relation to persons with an interim permission or an interim approval.

Disapplication of section 213(3)(a) of the Act

6. Subsection (3)(a) of section 213 of the Act (the compensation scheme) does not apply to—
- (a) persons who are relevant persons, within the meaning of that section, only by virtue of having an interim permission; or
 - (b) appointed representatives of such persons.

16th December 2004

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