

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends section 232 of the Banking Act 2009 (c.1) to provide that the term “assets” (in the context of the meaning of “client assets”) includes money, but does not include anything held by an institution for the purposes of carrying on insurance mediation activity, unless that activity arises in the course of carrying on an investment activity, or if the institution has elected to hold those assets in accordance with rules made by virtue of section 139 of the Financial Services and Markets Act 2000 (c. 8) which apply to the protection of assets in the course of an investment activity that is a non-insurance mediation activity.

An impact assessment on the effect of this Order and on the introduction of the new special administration regime for investment banks (to which the definition of “client assets” in section 232 will apply) has been prepared and may be obtained from the Financial Regulatory Strategy team, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ. It is also available on HM Treasury’s website (www.hm-treasury.gov.uk) and on www.legislation.gov.uk.