
DRAFT STATUTORY INSTRUMENTS

2017 No.

The Risk Transformation Regulations 2017

PART 4

Protected Cell Companies

CHAPTER 6

Arrangements and contracts between cells

Creation of arrangements between cells: procedure

69.—(1) The protected cell company may only make arrangements between cells in accordance with regulation 68 if the following conditions are satisfied—

- (a) the protected cell company's instrument of incorporation must permit the protected cell company to make the arrangements;
 - (b) the arrangements must be approved by a written resolution of the directors of the protected cell company before they are made;
 - (c) the written resolution must set out the matters referred to in paragraph (4) of regulation 68;
 - (d) the following persons must have given their prior written consent to the arrangements—
 - (i) the undertaking from whom the protected cell company assumed the risk to which the arrangements relate; and
 - (ii) all persons holding investments issued by the protected cell company on behalf of either cell.
- (2) Where a protected cell company makes the arrangements, the protected cell company must—
- (a) notify the PRA before the end of a period of 5 working days beginning with the day the arrangements are made;
 - (b) keep the written resolution of the directors approving the arrangements with the records of the protected cell company at its registered office or at any alternative inspection location notified to the FCA in accordance with regulation 67;
 - (c) send a copy of the written resolution of the directors approving the arrangements to the FCA; and
 - (d) notify any person to whom the protected cell company proposes to issue or allot an investment on behalf of either cell after the arrangements have been made that the cells are party to arrangements of the kind referred to in regulation 68(1).
- (3) Rules made under section 137G (the PRA's general rules) of FSMA may specify—
- (a) the form in which a notification under paragraph (2)(a) is to be made;
 - (b) the information to be included with such a notification; and
 - (c) the form in which any such information is to be provided.