

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001 (S.I. 2001/1177) (the “By Way of Business Order”). The By Way of Business Order defines, in relation to certain specified activities, the circumstances in which a person carrying on one of those activities is, or is not, to be regarded as carrying on that activity by way of business for the purposes of section 22 of the Financial Services and Markets Act 2000 (c. 8).

Article 2 of the By Way of Business Order specifies the circumstances in which a person who accepts deposits is not to be regarded as doing so by way of business. This Order amends article 2 to clarify that certain persons are not accepting deposits by way of business when borrowing money via an electronic system in relation to lending.

A full regulatory impact assessment has not been produced for this instrument as no, or no significant, impact on the costs of business and the voluntary sector is foreseen.