



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### PART XII

#### CONTROL OVER AUTHORISED PERSONS

##### *Acquiring, increasing and reducing control*

#### <sup>x1</sup>179 **Acquiring control.**

- (1) For the purposes of this Part, a person (“the acquirer”) acquires control over a UK authorised person (“A”) on first falling within any of the cases in subsection (2).
- (2) The cases are where the acquirer—
  - (a) holds 10% or more of the shares in A;
  - (b) is able to exercise significant influence over the management of A by virtue of his shareholding in A;
  - (c) holds 10% or more of the shares in a parent undertaking (“P”) of A;
  - (d) is able to exercise significant influence over the management of P by virtue of his shareholding in P;
  - (e) is entitled to exercise, or control the exercise of, 10% or more of the voting power in A;
  - (f) is able to exercise significant influence over the management of A by virtue of his voting power in A;
  - (g) is entitled to exercise, or control the exercise of, 10% or more of the voting power in P; or
  - (h) is able to exercise significant influence over the management of P by virtue of his voting power in P.
- (3) In subsection (2) “the acquirer” means—
  - (a) the acquirer;
  - (b) any of the acquirer’s associates; or
  - (c) the acquirer and any of his associates.

*Status: Point in time view as at 06/12/2006.*

*Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Acquiring, increasing and reducing control is up to date with all changes known to be in force on or before 03 July 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)*

- (4) For the purposes of this Part, each of the following is to be regarded as a kind of control—
- (a) control arising as a result of the holding of shares in A;
  - (b) control arising as a result of the holding of shares in P;
  - (c) control arising as a result of the entitlement to exercise, or control the exercise of, voting power in A;
  - (d) control arising as a result of the entitlement to exercise, or control the exercise of, voting power in P.
- (5) For the purposes of this section and sections 180 and 181, “associate”, “shares” and “voting power” have the same meaning as in section 422.

#### **Editorial Information**

**X1** The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

#### **<sup>x2</sup>180 Increasing control.**

- (1) For the purposes of this Part, a controller of a person (“A”) who is a UK authorised person increases his control over A if—
- (a) the percentage of shares held by the controller in A increases by any of the steps mentioned in subsection (2);
  - (b) the percentage of shares held by the controller in a parent undertaking (“P”) of A increases by any of the steps mentioned in subsection (2);
  - (c) the percentage of voting power which the controller is entitled to exercise, or control the exercise of, in A increases by any of the steps mentioned in subsection (2);
  - (d) the percentage of voting power which the controller is entitled to exercise, or control the exercise of, in P increases by any of the steps mentioned in subsection (2); or
  - (e) the controller becomes a parent undertaking of A.
- (2) The steps are—
- (a) from below 10% to 10% or more but less than 20%;
  - (b) from below 20% to 20% or more but less than 33%;
  - (c) from below 33% to 33% or more but less than 50%;
  - (d) from below 50% to 50% or more.
- (3) In paragraphs (a) to (d) of subsection (1) “the controller” means—
- (a) the controller;
  - (b) any of the controller’s associates; or
  - (c) the controller and any of his associates.
- (4) In the rest of this Part “acquiring control” or “having control” includes—
- (a) acquiring or having an additional kind of control; or

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- (b) acquiring an increase in a relevant kind of control, or having increased control of a relevant kind.

#### Editorial Information

**X2** The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

### <sup>x3</sup>181 Reducing control.

- (1) For the purposes of this Part, a controller of a person (“A”) who is a UK authorised person reduces his control over A if—
- (a) the percentage of shares held by the controller in A decreases by any of the steps mentioned in subsection (2),
  - (b) the percentage of shares held by the controller in a parent undertaking (“P”) of A decreases by any of the steps mentioned in subsection (2),
  - (c) the percentage of voting power which the controller is entitled to exercise, or control the exercise of, in A decreases by any of the steps mentioned in subsection (2),
  - (d) the percentage of voting power which the controller is entitled to exercise, or control the exercise of, in P decreases by any of the steps mentioned in subsection (2), or
  - (e) the controller ceases to be a parent undertaking of A,
- unless the controller ceases to have the kind of control concerned over A as a result.
- (2) The steps are—
- (a) from 50% or more to 33% or more but less than 50%;
  - (b) from 33% or more to 20% or more but less than 33%;
  - (c) from 20% or more to 10% or more but less than 20%;
  - (d) from 10% or more to less than 10%.
- (3) In paragraphs (a) to (d) of subsection (1) “the controller” means—
- (a) the controller;
  - (b) any of the controller’s associates; or
  - (c) the controller and any of his associates.

#### Editorial Information

**X3** The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

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