



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### PART II

#### REGULATED AND PROHIBITED ACTIVITIES

##### *Financial promotion*

#### **21 Restrictions on financial promotion.**

- (1) A person (“A”) must not, in the course of business, communicate an invitation or inducement to
- [<sup>F1</sup>(a)] engage in investment activity [<sup>F2</sup>, or
  - (b) to engage in claims management activity.]

- (2) But subsection (1) does not apply if—
- (a) A is an authorised person; or
  - (b) the content of the communication is approved for the purposes of this section by an authorised person.

- [<sup>F3</sup>(2A) The content of a communication may be approved for the purposes of this section by an authorised person only if the giving of the approval—
- (a) is permitted under section 55NA (which enables approval to be given with FCA permission), or
  - (b) falls within an exemption conferred by regulations under section 55NB.]

- (3) In the case of a communication originating outside the United Kingdom, subsection (1) applies only if the communication is capable of having an effect in the United Kingdom.

- (4) The Treasury may by order specify circumstances in which a person is to be regarded for the purposes of subsection (1) as—
- (a) acting in the course of business;
  - (b) not acting in the course of business.

**Changes to legislation:** Financial Services and Markets Act 2000, Section 21 is up to date with all changes known to be in force on or before 27 June 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) View outstanding changes

- (5) The Treasury may by order specify circumstances (which may include compliance with financial promotion rules) in which subsection (1) does not apply.
- (6) An order under subsection (5) may, in particular, provide that subsection (1) does not apply in relation to communications—
- (a) of a specified description;
  - (b) originating in a specified country or territory outside the United Kingdom;
  - (c) originating in a country or territory which falls within a specified description of country or territory outside the United Kingdom; or
  - (d) originating outside the United Kingdom.
- (7) The Treasury may by order repeal subsection (3).
- (8) “Engaging in investment activity” means—
- (a) entering or offering to enter into an agreement the making or performance of which by either party constitutes a controlled activity; or
  - (b) exercising any rights conferred by a controlled investment to acquire, dispose of, underwrite or convert a controlled investment.
- (9) An activity is a controlled activity if—
- (a) it is an activity of a specified kind or one which falls within a specified class of activity; and
  - (b) it relates to an investment of a specified kind, or to one which falls within a specified class of investment.
- (10) An investment is a controlled investment if it is an investment of a specified kind or one which falls within a specified class of investment.
- [<sup>F4</sup>(10A) “Engaging in claims management activity” means entering into or offering to enter into an agreement the making or performance of which by either party constitutes a controlled claims management activity.
- (10B) An activity is a “controlled claims management activity” if—
- (a) it is an activity of a specified kind,
  - (b) it is, or relates to, claims management services, and
  - (c) it is carried on in Great Britain.]

(11) Schedule 2 (except paragraph 26) applies for the purposes of subsections (9) and (10) with references to section 22 being read as references to each of those subsections.

(12) Nothing in Schedule 2, as applied by subsection (11), limits the powers conferred by subsection (9) or (10).

[<sup>F5</sup>(12A) Paragraph 25 of Schedule 2 applies for the purposes of subsection (10B) with the references to section 22 in sub-paragraph (3) of that paragraph being read as references to subsection (10B).]

(13) “Communicate” includes causing a communication to be made.

(14) “Investment” includes any asset, right or interest [<sup>F6</sup>(including where an asset, right or interest is, or comprises or represents, a cryptoasset)].

(15) “Specified” means specified in an order made by the Treasury.

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### Textual Amendments

- F1** Words in s. 21(1) renumbered as s. 21(1)(a) (E.W.S.) (6.10.2018) by [Financial Guidance and Claims Act 2018 \(c. 10\), ss. 27\(3\)\(a\)\(i\), 37\(5\); S.I. 2018/1045, reg. 2\(a\)](#)
- F2** S. 21(1)(b) and word inserted (E.W.S.) (6.10.2018) by [Financial Guidance and Claims Act 2018 \(c. 10\), ss. 27\(3\)\(a\)\(ii\), 37\(5\); S.I. 2018/1045, reg. 2\(a\)](#)
- F3** [S. 21\(2A\)](#) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by [Financial Services and Markets Act 2023 \(c. 29\), ss. 20\(2\), 86\(3\) \(with s. 20\(5\)\); S.I. 2023/936, reg. 2\(1\)\(a\)\(b\)\(2\)\(a\)\(ii\)\(3\)\(4\) \(with reg. 3\)](#)
- F4** S. 21(10A)(10B) inserted (E.W.S.) (6.10.2018) by [Financial Guidance and Claims Act 2018 \(c. 10\), ss. 27\(3\)\(b\), 37\(5\); S.I. 2018/1045, reg. 2\(a\)](#)
- F5** S. 21(12A) inserted (E.W.S.) (6.10.2018) by [Financial Guidance and Claims Act 2018 \(c. 10\), ss. 27\(3\)\(c\), 37\(5\); S.I. 2018/1045, reg. 2\(a\)](#)
- F6** Words in s. 21(14) inserted (29.8.2023) by [Financial Services and Markets Act 2023 \(c. 29\), ss. 69\(2\), 86\(3\); S.I. 2023/779, reg. 4\(uu\)](#)

### Modifications etc. (not altering text)

- C1** S. 21 modified by [S.I. 2018/1149, reg. 58](#) (as inserted (1.3.2019) by [The Financial Services Contracts \(Transitional and Saving Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/405\), regs. 1\(2\), 3](#)) (as amended by [S.I. 2019/1010, regs. 1\(3\), 4; 2020 c. 1, Sch. 5 para. 1\(1\)](#))
- C2** S. 21 modified by [S.I. 2018/1149, reg. 42](#) (as inserted (1.3.2019) by [The Financial Services Contracts \(Transitional and Saving Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/405\), regs. 1\(2\), 2](#))
- C3** S. 21 modified (31.12.2020) by [The Electronic Commerce and Solvency 2 \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/1361\), regs. 1\(2\), 18](#) (as amended by [S.I. 2019/1390, regs. 1\(2\), 6; 2020 c. 1, Sch. 5 para. 1\(1\)](#))
- C4** S. 21(1) modified (31.10.2001) by [S.I. 2001/3374, art. 1, Sch. para. 6](#)
- C5** S. 21(1) modified (31.10.2004) by [The Financial Services and Markets Act 2000 \(Transitional Provisions\) \(Mortgages\) Order 2004 \(S.I. 2004/2615\), arts. 1\(2\)\(b\), 5, Sch. para. 6](#)
- C6** S. 21(1) modified (14.1.2005) by [The Financial Services and Markets Act 2000 \(Transitional Provisions\) \(General Insurance Intermediaries\) Order 2004 \(S.I. 2004/3351\), arts. 1\(2\)\(b\), 5, Sch. para. 6](#)
- C7** S. 21(1) modified (6.4.2007) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2006 \(S.I. 2006/1969\), arts. 1\(3\), 7, Sch. para. 6](#)
- C8** S. 21(1) excluded (3.7.2002) by [Welsh Development Agency Act 1975 \(c. 70\), Sch. 1 para. 21](#) (as substituted) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) Order 2002 \(S.I. 2002/1555\), arts. 1, 6](#)
- C9** S. 21(1) excluded (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\), regs. 1\(2\)\(3\)\(4\)\(6\), 14\(1\) \(with reg. 7\)](#)
- C10** S. 21(2) modified (30.6.2008 for certain purposes, otherwise 1.1.2009) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/3510\), arts. 1\(2\), 8\(1\)\(3\)](#)
- C11** S. 21(2) modified (1.7.2009 for certain purposes, otherwise 30.6.2010) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2009 \(S.I. 2009/1342\), arts. 1\(2\), 34, {Sch. paras. 1, 3}](#)
- C12** S. 21(2) modified (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\), arts. 1\(2\)\(5\), 59\(3\)](#)
- C13** S. 21(2) modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Claims Management Activity\) Order 2018 \(S.I. 2018/1253\), arts. 1\(2\)\(3\), 83\(5\)](#)

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#### **Commencement Information**

- II** S. 21 wholly in force at 1.12.2001; s. 21 not in force at Royal Assent see s. 431(2); s. 21 in force for certain purposes at 25.2.2001 by [S.I. 2001/516](#), [art. 2\(b\)](#), [Sch. Pt. 2](#); s. 21 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538](#), [art. 2\(1\)](#)

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### Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied (with modifications) by [S.I. 2023/1347 reg. 8](#)
- Act power to apply conferred (temp. until 15.5.2039) by [2014 c. 21 s. 79\(4\)](#)
- Act power to apply conferred (temp. until 15.5.2039) by [2014 c. 21 s. 81\(10\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Pt. 17 Ch. 3B inserted by [2023 c. 29 s. 64\(3\)](#)
- Pt. 20C inserted by [2016 c. 14 s. 30\(3\)](#)
- s. 31(1)(aa) inserted by [2021 c. 22 s. 22\(2\)](#)
- s. 32A inserted by [2021 c. 22 s. 22\(3\)](#)
- s. 32A power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- s. 36A and cross-heading inserted by [2021 c. 22 s. 22\(4\)](#)
- s. 71J and cross-heading inserted by [2021 c. 22 Sch. 8 para. 4](#)
- s. 86(9A) inserted by [S.I. 2019/707 reg. 8\(9\)](#) (This amendment not applied to legislation.gov.uk. Reg. 8(6)-(10) omitted (6.9.2019) by virtue of S.I. 2019/1234, regs. 1(2), 13(c))
- s. 87A(11) inserted by [S.I. 2019/707 reg. 10\(5\)](#) (This amendment not applied to legislation.gov.uk. Reg. 10(4)(5) omitted (6.9.2019) by virtue of S.I. 2019/1234, regs. 1(2), 15(b))
- s. 124(10)(c)(i) word omitted by [S.I. 2019/310 reg. 5\(11\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 5(11)(b) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(2)(e))
- s. 129(7)(a) word inserted by [S.I. 2019/310 reg. 5\(12\)\(a\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 5(12)(a)(b) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(2)(f))
- s. 129(7)(c) omitted and word by [S.I. 2019/310 reg. 5\(12\)\(a\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 5(12)(a)(b) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(2)(f))
- s. 204A(3)(fa) inserted by [S.I. 2024/705 Sch. 2 para. 1](#)
- s. 214(5A) inserted by [2021 c. 22 Sch. 8 para. 8](#)
- s. 261E(A1) inserted by [2023 c. 29 s. 64\(2\)\(a\)](#)
- s. 367A inserted by [2021 c. 22 Sch. 8 para. 10](#)
- s. 395(13)(h)(i) inserted by [2021 c. 22 Sch. 8 para. 12\(2\)\(c\)](#)
- s. 395(13)(bc)-(be) word inserted by [2021 c. 22 Sch. 8 para. 12\(2\)\(b\)](#)
- s. 395(14) inserted by [2021 c. 22 Sch. 8 para. 12\(3\)](#)
- s. 427A(3) words substituted by [2002 c. 40 Sch. 17 para. 59](#) (This amendment not applied to legislation.gov.uk. The Financial Services and Markets Act 2000 does not contain a section 427A.)
- Sch. 1ZA para. 32(c) and word inserted by [2021 c. 22 Sch. 8 para. 18](#)
- Sch. 2A para. 19(2)(b)(iia) inserted by [2023 c. 29 Sch. 10 para. 19\(a\)](#)
- Sch. 2A2B power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- Sch. 2A power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- Sch. 2B inserted by [2021 c. 22 Sch. 7](#)
- Sch. 2B power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- Sch. 11A para. 5(3) inserted by [S.I. 2019/707 reg. 38\(5\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 38(2)-(5)(7)(8) omitted (6.9.2019) by virtue of S.I. 2019/1234, regs. 1(2), 20)

- Sch. 17A para. 12 words substituted by [S.I. 2019/662 reg. 13\(1\)](#) (This amendment not applied to [legislation.gov.uk](#). Reg. 13(1) substituted (25.6.2020) by S.I. 2020/646, regs. 1(2)(c), 11(3))