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SCHEDULES

SCHEDULE 9

REGULATED SECTOR AND SUPERVISORY AUTHORITIES

[^{F1}PART 1

REGULATED SECTOR

Textual Amendments

- F1** Sch. 9 Pts. 1, 2 substituted (15.12.2007) by [The Proceeds of Crime Act 2002 \(Business in the Regulated Sector and Supervisory Authorities\) Order 2007 \(S.I. 2007/3287\)](#), arts. 1, 2

Business in the regulated sector

1. (1) A business is in the regulated sector to the extent that it consists of—
 - (a) the acceptance by a credit institution of deposits or other repayable funds from the public, or the granting by a credit institution of credits for its own account;
 - (b) the carrying on of one or more of the activities listed in points 2 to 12 [^{F2}, 14 and 15] of Annex 1 to the [^{F3}Capital Requirements Regulation] by an undertaking other than—
 - (i) a credit institution; or
 - (ii) an undertaking whose only listed activity is trading for own account in one or more of the products listed in point 7 of Annex 1 to the [^{F3}Capital Requirements Regulation] and which does not act on behalf of a customer (that is, a third party which is not a member of the same group as the undertaking);
 - (c) the carrying on of activities covered by [^{F4}the Solvency 2 Directive] by an insurance company authorised in accordance with that Directive;
 - (d) the provision of investment services or the performance of investment activities by a person (other than a person falling within Article 2 of the Markets in Financial Instruments Directive) whose regular occupation or business is the provision to other persons of an investment service or the performance of an investment activity on a professional basis;
 - (e) the marketing or other offering of units or shares by a collective investment undertaking;
 - (f) the activities of an insurance intermediary as defined in Article 2(5) of the Insurance Mediation Directive, other than a tied insurance intermediary as mentioned in Article 2(7) of that Directive, in respect of contracts of long-term insurance within the meaning given by article 3(1) of, and Part II of

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- Schedule 1 to, the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;
- (g) the carrying on of any of the activities mentioned in paragraphs (b) to (f) by a branch located in an EEA State of a person referred to in those paragraphs (or of an equivalent person in any other State), wherever its head office is located;
 - (h) the activities of the National Savings Bank;
 - (i) any activity carried on for the purpose of raising money authorised to be raised under the National Loans Act 1968 under the auspices of the Director of Savings;
 - (j) the carrying on of statutory audit work within the meaning of section 1210 of the Companies Act 2006 (meaning of “statutory auditor” etc) by any firm or individual who is a statutory auditor within the meaning of Part 42 of that Act (statutory auditors);
 - (k) the activities of a person appointed to act as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 (meaning of “act as insolvency practitioner”) or article 3 of the Insolvency (Northern Ireland) Order 1989;
 - (l) the provision to other persons of accountancy services by a firm or sole practitioner who by way of business provides such services to other persons;
 - (m) the provision of advice about the tax affairs of other persons by a firm or sole practitioner who by way of business provides advice about the tax affairs of other persons;
 - (n) the participation in financial or real property transactions concerning—
 - (i) the buying and selling of real property (or, in Scotland, heritable property) or business entities;
 - (ii) the managing of client money, securities or other assets;
 - (iii) the opening or management of bank, savings or securities accounts;
 - (iv) the organisation of contributions necessary for the creation, operation or management of companies; or
 - (v) the creation, operation or management of trusts, companies or similar structures,
 by a firm or sole practitioner who by way of business provides legal or notarial services to other persons;
 - (o) the provision to other persons by way of business by a firm or sole practitioner of any of the services mentioned in sub-paragraph (4);
 - (p) the carrying on of estate agency work ^{F5}... by a firm or a sole practitioner who carries on, or whose employees carry on, such work;
 - (q) the trading in goods (including dealing as an auctioneer) whenever a transaction involves the receipt of a payment or payments in cash of at least 15,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked, by a firm or sole trader who by way of business trades in goods;
 - (r) operating a casino under a casino operating licence (within the meaning given by section 65(2) of the Gambling Act 2005 (nature of licence)).
 - [^{F6}(s) the auctioning by an auction platform of two-day spot or five-day futures, within the meanings given by Article 3 of the Emission Allowance Auctioning Regulation.]

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- [^{F7}(t) bidding directly, on behalf of clients, in auctions of emissions allowances in accordance with the Emission Allowance Auctioning Regulation.]
- (2) For the purposes of sub-paragraph (1)(a) and (b) “credit institution” means—
- (a) a credit institution as defined in [^{F8}Article 4(1)(1) of the Capital Requirements Regulation] ; or
 - (b) a branch (within the meaning of [^{F9}Article 4(1)(17) of that Regulation]) located in an EEA state of an institution falling within paragraph (a) (or of an equivalent institution in any other State) wherever its head office is located.
- (3) For the purposes of sub-paragraph (1)(n) a person participates in a transaction by assisting in the planning or execution of the transaction or otherwise acting for or on behalf of a client in the transaction.
- (4) The services referred to in sub-paragraph (1)(o) are—
- (a) forming companies or other legal persons;
 - (b) acting, or arranging for another person to act—
 - (i) as a director or secretary of a company;
 - (ii) as a partner of a partnership; or
 - (iii) in a similar position in relation to other legal persons;
 - (c) providing a registered office, business address, correspondence or administrative address or other related services for a company, partnership or any other legal person or arrangement;
 - (d) acting, or arranging for another person to act, as—
 - (i) a trustee of an express trust or similar legal arrangement; or
 - (ii) a nominee shareholder for a person other than a company whose securities are listed on a regulated market.
- (5) For the purposes of sub-paragraph (4)(d) “regulated market”—
- (a) in relation to any EEA State, has the meaning given by point 14 of Article 4(1) of the Markets in Financial Instruments Directive; and
 - (b) in relation to any other State, means a regulated financial market which subjects companies whose securities are admitted to trading to disclosure obligations which are contained in international standards and are equivalent to the specified disclosure obligations.
- [^{F10}(6) For the purposes of sub-paragraph (5) “the specified disclosure obligations” means—
- (a) disclosure requirements set out in Articles 17 and 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation);
 - (b) disclosure requirements consistent with Articles 3, 5, 7, 8, 10, 14 and 16 of [Directive 2003/71/EC](#) of the European Parliament and of the Council of 4th November 2003 on the prospectuses to be published when securities are offered to the public or admitted to trading;
 - (c) disclosure requirements consistent with Articles 4 to 6, 14, 16 to 19 and 30 of [Directive 2004/109/EC](#) of the European Parliament and of the Council of 15th December 2004 relating to the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market; or
 - (d) disclosure requirements consistent with EU legislation made under the provisions mentioned in paragraphs (a) to (c).]

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- [^{F11}(6A) For the purposes of sub-paragraph (1)(p) “estate agency work” is to be read in accordance with section 1 of the Estate Agents Act 1979 (estate agency work), but for those purposes references in that section to disposing of or acquiring an interest in land are (despite anything in section 2 of that Act) to be taken to include references to disposing of or acquiring an estate or interest in land outside the United Kingdom where that estate or interest is capable of being owned or held as a separate interest.]
- (7) For the purposes of sub-paragraph (1)(j) and (l) to (q) “firm” means any entity, whether or not a legal person, that is not an individual and includes a body corporate and a partnership or other unincorporated association.
- (8) For the purposes of sub-paragraph (1)(q) “cash” means notes, coins or travellers’ cheques in any currency.
- [^{F12}(9) For the purposes of sub-paragraph (1)(s) “auction platform” means a platform on which auctions of emissions allowances are held in accordance with the Emission Allowance Auctioning Regulation.]

Textual Amendments

- F2** Words in Sch. 9 para. 1(1)(b) substituted (9.2.2011 for specified purposes, 30.4.2011 in so far as not already in force) by [The Electronic Money Regulations 2011 \(S.I. 2011/99\)](#), reg. 1(2), **Sch. 4 para. 4(a)**
- F3** Words in Sch. 9 para. 1(1)(b) substituted (1.1.2014) by [The Capital Requirements Regulations 2013 \(S.I. 2013/3115\)](#), reg. 1(2), **Sch. 2 para. 41(2)**
- F4** Words in Sch. 9 para. 1(1)(c) substituted (1.1.2016) by virtue of [The Solvency 2 Regulations 2015 \(S.I. 2015/575\)](#), reg. 1(2), **Sch. 1 para. 23(2)**
- F5** Words in Sch. 9 para. 1(1)(p) omitted (1.10.2012) by virtue of [The Terrorism Act 2000 and Proceeds of Crime Act 2002 \(Business in the Regulated Sector\) \(No.2\) Order 2012 \(S.I. 2012/2299\)](#), arts. 1, **3(a)**
- F6** Sch. 9 para. 1(1)(s) inserted (12.12.2011) by [The Terrorism Act 2000 and Proceeds of Crime Act 2002 \(Business in the Regulated Sector\) Order 2011 \(S.I. 2011/2701\)](#), arts. 1, **3(2)(a)**
- F7** Sch. 9 para. 1(1)(t) inserted (7.7.2012) by [The Terrorism Act 2000 and Proceeds of Crime Act 2002 \(Business in the Regulated Sector\) Order 2012 \(S.I. 2012/1534\)](#), arts. 1, **3**
- F8** Words in Sch. 9 para. 1(2)(a) substituted (1.1.2014) by [The Capital Requirements Regulations 2013 \(S.I. 2013/3115\)](#), reg. 1(2), **Sch. 2 para. 41(3)**
- F9** Words in Sch. 9 para. 1(2)(b) substituted (1.1.2014) by [The Capital Requirements Regulations 2013 \(S.I. 2013/3115\)](#), reg. 1(2), **Sch. 2 para. 41(4)**
- F10** Sch. 9 para. 1(6) substituted (3.7.2016) by [The Financial Services and Markets Act 2000 \(Market Abuse\) Regulations 2016 \(S.I. 2016/680\)](#), regs. 1, **14**
- F11** Sch. 9 para. 1(6A) inserted (1.10.2012) by [The Terrorism Act 2000 and Proceeds of Crime Act 2002 \(Business in the Regulated Sector\) \(No.2\) Order 2012 \(S.I. 2012/2299\)](#), arts. 1, **3(b)**
- F12** Sch. 9 para. 1(9) inserted (12.12.2011) by [The Terrorism Act 2000 and Proceeds of Crime Act 2002 \(Business in the Regulated Sector\) Order 2011 \(S.I. 2011/2701\)](#), arts. 1, **3(2)(b)**

Excluded activities

2. (1) A business is not in the regulated sector to the extent that it consists of—
- (a) the issuing of withdrawable share capital within the limit set by [^{F13}section 24 of the Co-operative and Community Benefit Societies Act 2014 (maximum interest in a society’s withdrawable shares)], or the acceptance of deposits from the public within the limit set by [^{F14}section 67(2) of that Act (registered society with withdrawable share capital not to carry on banking etc)], by [^{F15}a registered society within the meaning of that Act];

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- (b) the issuing of withdrawable share capital within the limit set by section 6 of the Industrial and Provident Societies Act (Northern Ireland) 1969 (maximum shareholding in society), or the acceptance of deposits from the public within the limit set by section 7(3) of that Act (carrying on of banking by societies), by a society registered under that Act;
- (c) the carrying on of any activity in respect of which a person who is (or falls within a class of persons) specified in any of paragraphs 2 to 23, 25 to 38 or 40 to 49 of the Schedule to the Financial Services and Markets Act 2000 (Exemption) Order 2001 is exempt;
- (d) the exercise of the functions specified in section 45 of the Financial Services Act 1986 (miscellaneous exemptions) by a person who was an exempted person for the purposes of that section immediately before its repeal; [^{F16}or]
- (e) the engaging in financial activity which fulfils all of the conditions set out in paragraphs (a) to (g) of sub-paragraph (3) of this paragraph by a person whose main activity is that of a high value dealer; ^{F17} ...

^{F17}(f)

- (2) For the purposes of sub-paragraph (1)(e) a “high value dealer” means a person mentioned in paragraph 1(1)(q) when carrying on the activities mentioned in that paragraph.
- (3) A business is not in the regulated sector to the extent that it consists of financial activity if—
 - (a) the person’s total annual turnover in respect of the financial activity does not exceed £64,000;
 - (b) the financial activity is limited in relation to any customer to no more than one transaction exceeding 1,000 euros, whether the transaction is carried out in a single operation, or a series of operations which appear to be linked;
 - (c) the financial activity does not exceed 5% of the person’s total annual turnover;
 - (d) the financial activity is ancillary to the person’s main activity and directly related to that activity;
 - (e) the financial activity is not the transmission or remittance of money (or any representation of monetary value) by any means;
 - (f) the main activity of the person carrying on the financial activity is not an activity mentioned in paragraph 1(1)(a) to (p) or (r); and
 - (g) the financial activity is provided only to customers of the person’s main activity and is not offered to the public.
- (4) A business is not in the regulated sector if it is carried on by—
 - (a) the Auditor General for Scotland;
 - (b) the Auditor General for Wales;
 - (c) the Bank of England [^{F18}(acting otherwise than in its capacity as the Prudential Regulation Authority)];
 - (d) the Comptroller and Auditor General;
 - (e) the Comptroller and Auditor General for Northern Ireland;
 - (f) the Official Solicitor to the Supreme Court, when acting as trustee in his official capacity; or
 - (g) the Treasury Solicitor.

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Textual Amendments

- F13** Words in Sch. 9 para. 2(1)(a) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 81\(2\)](#) (with Sch. 5)
- F14** Words in Sch. 9 para. 2(1)(a) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 81\(3\)](#) (with Sch. 5)
- F15** Words in Sch. 9 para. 2(1)(a) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 81\(4\)](#) (with Sch. 5)
- F16** Word in Sch. 9 para. 2(1)(d) inserted (15.1.2012) by [Localism Act 2011 \(c. 20\), s. 240\(1\)\(k\), Sch. 18 para. 2\(a\)](#)
- F17** Sch. 9 para. 2(1)(f) and word repealed (15.1.2012) by [Localism Act 2011 \(c. 20\), s. 240\(1\)\(k\)\(m\), Sch. 18 para. 2\(b\), Sch. 25 Pt. 29](#)
- F18** Words in Sch. 9 para. 2(4)(c) inserted (1.3.2017) by [The Bank of England and Financial Services \(Consequential Amendments\) Regulations 2017 \(S.I. 2017/80\), reg. 1, Sch. para. 13](#)

INTERPRETATION

3. (1) In this Part—

F19
...

[^{F20}“the Capital Requirements Regulation” means Regulation (EU) No. 575/2013 of the European Parliament and of the Council]

[^{F21}“the Emission Allowance Auctioning Regulation” means Commission Regulation (EU) No. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community;]

“the Insurance Mediation Directive” means directive 2002/92/EC of the European Parliament and of the Council of 9th December 2002 on insurance mediation;

F22
...

“the Markets in Financial Instruments Directive” means directive 2004/39/EC of the European Parliament and of the Council of 12th April 2004 on markets in financial instruments.

[^{F23}“the Solvency 2 Directive” means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II);]

- (2) In this Part references to amounts in euros include references to equivalent amounts in another currency.
- (3) Terms used in this Part and in the Banking Consolidation Directive or the Markets in Financial Instruments Directive have the same meaning in this Part as in those Directives.]

Textual Amendments

- F19** Words in Sch. 9 para. 3(1) omitted (1.1.2014) by virtue of [The Capital Requirements Regulations 2013 \(S.I. 2013/3115\), reg. 1\(2\), Sch. 2 para. 41\(5\)\(a\)](#)

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- F20** Words in Sch. 9 para. 3(1) inserted (1.1.2014) by [The Capital Requirements Regulations 2013 \(S.I. 2013/3115\)](#), reg. 1(2), **Sch. 2 para. 41(5)(b)**
- F21** Words in Sch. 9 para. 3(1) inserted (12.12.2011) by [The Terrorism Act 2000 and Proceeds of Crime Act 2002 \(Business in the Regulated Sector\) Order 2011 \(S.I. 2011/2701\)](#), arts. 1, **3(3)**
- F22** Words in Sch. 9 para. 3(1) omitted (1.1.2016) by virtue of [The Solvency 2 Regulations 2015 \(S.I. 2015/575\)](#), reg. 1(2), **Sch. 1 para. 23(3)(a)**
- F23** Words in Sch. 9 para. 3(1) inserted (1.1.2016) by [The Solvency 2 Regulations 2015 \(S.I. 2015/575\)](#), reg. 1(2), **Sch. 1 para. 23(3)(b)**

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