



Banking Act 2009

2009 CHAPTER 1

PART 7

MISCELLANEOUS

Investment banks

232 Definition

- (1) In this group of sections “investment bank” means an institution which satisfies the following conditions.
 - (2) Condition 1 is that the institution has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on the regulated activity of—
 - (a) safeguarding and administering investments,
 - (b) dealing in investments as principal, or
 - (c) dealing in investments as agent.
 - (3) Condition 2 is that the institution holds client assets.
 - (4) In this group of sections “client assets” means assets which an institution has undertaken to hold for a client (whether or not on trust and whether or not the undertaking has been complied with).
 - (5) Condition 3 is that the institution is incorporated in, or formed under the law of any part of, the United Kingdom.
- [^{F1}(5A) In subsection (4), “assets”—
- (a) includes money, but
 - (b) does not include anything which an institution holds for the purposes of carrying on an insurance mediation activity unless—
 - (i) the activity arises in the course of carrying on an investment activity,
 - or

Status: Point in time view as at 08/02/2011. This version of this provision has been superseded.

Changes to legislation: Banking Act 2009, Section 232 is up to date with all changes known to be in force on or before 29 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)

- (ii) the institution has elected, in relation to the thing, to comply with rules that would apply in relation to it if the activity were not an insurance mediation activity.

(5B) In this section—

“rules” means general rules (within the meaning of the Financial Services and Markets Act 2000) made by virtue of section 139(1) of that Act;

“insurance mediation activity” has the meaning given by paragraph 2(5) of Schedule 6 to that Act (read as mentioned in paragraph 2(6) of that Schedule); and

“investment activity” means—

- (a) anything that falls within the definition of “investment services and activities” in section 417(1) of that Act; or
- (b) anything that is “designated investment business” within the meaning of the Financial Services Authority Handbook.]

(6) The Treasury may by order—

- (a) provide that a specified class of institution, which has a permission under Part 4 of the Financial Services and Markets Act 2000 to carry on a regulated activity, is to be treated as an investment bank for the purpose of this group of sections;
- (b) provide that a specified class of institution is not to be treated as an investment bank for the purpose of this group of sections;
- (c) provide that assets of a specified kind, or held in specified circumstances, are to be or not to be treated as client assets for the purpose of this group of sections;
- (d) amend a provision of this section in consequence of provision under paragraph (a), (b) or (c).

Textual Amendments

F1 S. 232(5A)(5B) inserted (8.2.2011) by [The Investment Bank \(Amendment of Definition\) Order 2011 \(S.I. 2011/239\)](#), arts. 1(1), 3(2)

Commencement Information

II S. 232 in force at 21.2.2009 in so far as not already in force by [S.I. 2009/296](#), arts. 2, 3, [Sch. para. 6](#)

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