

## SCHEDULE

### PART IV

#### PERSONS EXEMPT IN RESPECT OF PARTICULAR REGULATED ACTIVITIES

##### *Enterprise schemes*

#### 40.

(1) Any body corporate which has as its principal object (or one of its principal objects)—

- (a) the promotion or encouragement of industrial or commercial activity or enterprise in the United Kingdom or in any particular area of it; or
- (b) the dissemination of information concerning persons engaged in such activity or enterprise or requiring capital to become so engaged;

is exempt from the general prohibition in respect of any regulated activity of the kind specified by [F1]article 25 of the Regulated Activities Order (arranging deals in investments)[F1]articles 25, 36A, 39D, 39E and 89A of the Regulated Activities Order (arranging deals in investments, credit broking, debt adjusting, debt-counselling and providing credit information services)] so long as it does not carry on that activity for, or with the prospect of, direct or indirect pecuniary gain.

(2) For the purposes of this paragraph, such sums as may reasonably be regarded as necessary to meet the costs of carrying on the activity mentioned in sub-paragraph (1) do not constitute a pecuniary gain.

[F2](3) This paragraph does not apply where an investment firm or credit institution—

- (a) provides or performs investment services and activities on a professional basis, and
- (b) in doing so, but for the operation of [F3]sub-paragraph (1)], it would be treated as carrying on an activity of a kind specified by Part 2 of the Regulated Activities Order [F4]in breach of the general prohibition].]

#### Textual Amendments

- F1** Words in Sch. para. 40(1) substituted (26.7.2013 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), 14(2)
- F2** Sch. para. 40(3) inserted (1.11.2007) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2007 (S.I. 2007/125), arts. 1, 6(a)
- F3** Words in Sch. para. 40(3)(b) substituted (1.11.2007) by The Financial Services and Markets Act 2000 (Exemption) (Amendment No. 2) Order 2007 (S.I. 2007/1821), arts. 1(3), 2(3)(i)
- F4** Words in Sch. para. 40(3)(b) inserted (1.11.2007) by The Financial Services and Markets Act 2000 (Exemption) (Amendment No. 2) Order 2007 (S.I. 2007/1821), arts. 1(3), 2(3)(ii)

##### *Employee share schemes in electricity industry shares*

#### 41.

(1) Each of the persons to whom this paragraph applies is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 14, 21 or 25 of the Regulated Activities Order (dealing in investments as principal or agent or arranging deals in investments) which he carries on for the purpose of—

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**Changes to legislation:** There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Exemption) Order 2001, PART IV. (See end of Document for details)

- (a) enabling or facilitating transactions in electricity industry shares or debentures between or for the benefit of any qualifying person; or
  - (b) the holding of electricity industry shares or debentures by or for the benefit of any qualifying person.
- (2) This paragraph applies to—
- (a) The National Grid Holding plc;
  - (b) Electricity Association Limited;
  - (c) any body corporate in the same group as the person mentioned in sub-paragraph (a) or (b);
  - (d) any company listed in Schedule 1 to the Electricity Act 1989 (Nominated Companies) (England and Wales) Order 1990<sup>M1</sup>; and
  - (e) a person holding shares in or debentures of a body corporate as trustee in pursuance of arrangements made for either of the purposes mentioned in sub-paragraph (1) by the Secretary of State, by any of the bodies mentioned in sub-paragraphs (a) to (c) or by an electricity successor company or by some or all of them.
- (3) In this paragraph—
- (a) “electricity industry shares or debentures” means—
    - (i) any investment of the kind specified by article 76 [F5, 77 or 77A] of the Regulated Activities Order (shares or instruments creating or acknowledging indebtedness [F6 or alternative finance investment bonds]) in or of an electricity successor company;
    - (ii) any investment of the kind specified by article 79 or 80 of that Order (instruments giving entitlement to investments and certificates representing certain securities), so far as relevant to the investments mentioned in sub-paragraph (i); and
    - (iii) any investment of the kind specified by article 89 of that Order (rights to or interests in investments) so far as relevant to the investments mentioned in sub-paragraphs (i) and (ii);
  - (b) “qualifying person” means—
    - (i) the bona fide employees or former employees of The National Grid Holding plc, Electricity Association Limited or any other body corporate in the same group as either of them; and
    - (ii) the wives, husbands, widows, widowers [F7, civil partners, surviving civil partners,] or children (including, in Northern Ireland, adopted children) or step-children under the age of eighteen of such employees or former employees;
  - (c) references to an electricity successor company include any body corporate that is in the same group and “electricity successor company” means a body corporate which is a successor company for the purposes of Part II of the Electricity Act 1989<sup>M2</sup>;
  - (d) “former employees” of a person (“the employer”) include any person who has never been employed by the employer so long as he occupied a position in relation to some other person of such a kind that it may reasonably be assumed that he would have been a former employee of the employer had the reorganisation of the electricity industry under Part II of the Electricity Act 1989 been affected before he ceased to occupy the relevant position.

#### Textual Amendments

**F5** Words in Sch. para. 41(3)(a)(i) substituted (24.2.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 (S.I. 2010/86), art. 1(2), Sch. para. 7(2)(a)

- F6** Words in Sch. para. 41(3)(a)(i) inserted (24.2.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 (S.I. 2010/86), art. 1(2), **Sch. para. 7(2)(b)**
- F7** Words in Sch. para. 41 inserted (5.12.2005) by The Civil Partnership Act 2004 (Amendments to Subordinate Legislation) Order 2005 (S.I. 2005/2114), art. 1, **Sch. 16 para. 4**

#### Marginal Citations

- M1** S.I. 1990/224.
- M2** 1989 c. 29.

### Gas industry

#### 42.

(1) Transco plc is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 14, 21 [<sup>F8</sup>, 25 or 25D] of the Regulated Activities Order (dealing in investments as principal or agent [<sup>F8</sup>, arranging deals in investments or operating a multilateral trading facility]) which it carries on—

- (a) in its capacity as a gas transporter under the Transco Licence; and
- (b) for the purposes of enabling or facilitating gas shippers to buy or sell an investment of the kind specified by article 84 or 85 of the Regulated Activities Order (futures or contracts for differences etc.).

(2) ENMO Ltd. is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 14, 21 [<sup>F9</sup>, 25 or 25D] of the Regulated Activities Order (dealing in investments as principal or agent [<sup>F9</sup>, arranging deals in investments or operating a multilateral trading facility]) which it carries on—

- (a) in its capacity as the operator of the balancing market; and
- (b) for the purpose of enabling or facilitating Transco plc and relevant gas shippers, for the purpose of participating in the balancing market, to buy or sell investments of the kind specified by article 84 or 85 of that Order (futures or contracts for differences etc.).

(3) Transco plc and relevant gas shippers are exempt from the general prohibition in respect of any regulated activity of the kind specified by article 14 or 21 of the Regulated Activities Order (dealing in investments as principal or agent) in so far as that activity relates to an investment of the kind specified by article 84 or 85 of that Order (futures or contracts for differences etc.) and is carried on for the purpose of participating in the balancing market.

(4) In this paragraph—

- (a) “the balancing market” means the market to regulate the delivery and off-take of gas in Transco plc’s pipeline system for the purpose of balancing the volume of gas in that system;
- (b) “gas shipper” has the same meaning as in Part I of the Gas Act 1986 <sup>M3</sup>;
- (c) “relevant gas shippers” means gas shippers who have entered into a subscription agreement with ENMO Ltd. for the purpose of participating in the balancing market;
- (d) “Transco Licence” means the licence treated as granted to Transco plc as a gas transporter under section 7 of the Gas Act 1986 <sup>M4</sup>;
- (e) the reference to enabling or facilitating includes acting pursuant to rules governing the operation of the balancing market which apply in the event of one of the participants appearing to be unable, or likely to become unable, to meet his obligations in respect of one or more contracts entered into through the balancing market.

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**Changes to legislation:** There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Exemption) Order 2001, PART IV. (See end of Document for details)

#### Textual Amendments

- F8** Words in Sch. para. 42(1) substituted (1.11.2007) by [The Financial Services and Markets Act 2000 \(Exemption\) \(Amendment\) Order 2007 \(S.I. 2007/125\)](#), arts. 1, **6(b)(i)**
- F9** Words in Sch. para. 42(2) substituted (1.11.2007) by [The Financial Services and Markets Act 2000 \(Exemption\) \(Amendment\) Order 2007 \(S.I. 2007/125\)](#), arts. 1, **6(b)(ii)**

#### Marginal Citations

- M3** 1986 c. 44; see [section 7A](#) which was inserted by section 6(1) of the [Gas Act 1995 \(c. 45\)](#).
- M4** Substituted by the [Gas Act 1995 \(c. 45\)](#) and amended by the [Utilities Act 2000 \(c. 27\)](#) section 76 (although this amendment was not in force on the day on which this Order was laid).

### *Trade unions and employers' associations*

#### 43.

(1) A trade union or employers' association is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 10 of the Regulated Activities Order (effecting and carrying out contracts of insurance) which it carries on in order to provide provident benefits or strike benefits for its members.

(2) In sub-paragraph (1), "trade union" and "employers' association" have the meanings given by section 1 and section 122(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 <sup>M5</sup> or, in Northern Ireland, the meanings given by article 3(1) and article 4(1) of the Industrial Relations (Northern Ireland) Order 1992 <sup>M6</sup>.

#### Marginal Citations

- M5** 1992 c. 52.
- M6** S.I. 1992/807 (NI 5); to which there are amendments not relevant to this Order.

### *Charities*

#### 44.

(1) A charity is exempt from the general prohibition in respect of any regulated activity of the kind specified by [<sup>F10</sup>articles 51ZA to 51ZE of the Regulated Activities Order (managing or acting as trustee or depositary of a UCITS or an AIF, or establishing etc. a collective investment scheme)] which it carries on in relation to a fund established under—

- (a) section 22A of the Charities Act 1960 <sup>M7</sup>;
- (b) section 25 of the Charities Act 1993 <sup>M8</sup>; or
- (c) section 25 of the Charities Act (Northern Ireland) 1964 <sup>M9</sup>.

(2) A charity is exempt from the general prohibition in respect of any regulated activity of the kind specified by [<sup>F11</sup>articles 51ZA to 51ZE of the Regulated Activities Order (managing or acting as trustee or depositary of a UCITS or an AIF, or establishing etc. a collective investment scheme)] which it carries on in relation to a pooling scheme fund established under—

- (a) section 22 of the Charities Act 1960; or
- (b) section 24 of the Charities Act 1993.

(3) In sub-paragraph (2), “pooling scheme fund” means a fund established by a common investment scheme the trusts of which provide that property is not to be transferred to the fund except by or on behalf of a charity, the charity trustees (within the meaning of section 97(1) of the Charities Act 1993) of which are the trustees appointed to manage the fund.

#### Textual Amendments

- F10** Words in Sch. para. 44(1) substituted (22.7.2013) by [The Alternative Investment Fund Managers Regulations 2013 \(S.I. 2013/1773\)](#), reg. 1, **Sch. 2 para. 8(3)**
- F11** Words in Sch. para. 44(2) substituted (22.7.2013) by [The Alternative Investment Fund Managers Regulations 2013 \(S.I. 2013/1773\)](#), reg. 1, **Sch. 2 para. 8(3)**

#### Marginal Citations

- M7** 1960 c. 58. Inserted by section 16 of the [Charities Act 1992 \(c. 41\)](#); repealed by the [Charities Act 1993 \(c. 10\)](#) Schedule 7.
- M8** 1993 c. 10.
- M9** 1964 c. 33 (N.I.).

#### *Schemes established under the Trustee Investments Act 1961*

**45.** A person acting in his capacity as manager or operator of a fund established under section 11 of the Trustee Investments Act 1961 <sup>M10</sup> is exempt from the general prohibition in respect of any regulated activity of the kind specified by [<sup>F12</sup>articles 51ZA to 51ZE of the Regulated Activities Order (managing or acting as trustee or depositary of a UCITS or an AIF, or establishing etc. a collective investment scheme)] which he carries on in relation to that fund.

#### Textual Amendments

- F12** Words in Sch. para. 45 substituted (22.7.2013) by [The Alternative Investment Fund Managers Regulations 2013 \(S.I. 2013/1773\)](#), reg. 1, **Sch. 2 para. 8(3)**

#### Marginal Citations

- M10** 1961 c. 62; amended by the [Local Government Act 1963 \(c. 33\)](#) Schedule 8; and by the [Local Government Act 1985 \(c.51\)](#) Schedule 17.

#### *Former members of Lloyd’s*

**46.** Any person who ceased to be an underwriting member (within the meaning of Lloyd’s Act 1982 <sup>M11</sup>) of Lloyd’s before 24th December 1996 is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 10(2) of the Regulated Activities Order (carrying out contracts of insurance) which relates to contracts of insurance that he has underwritten at Lloyd’s.

#### Marginal Citations

- M11** 1982 c. 14.

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**Changes to legislation:** There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Exemption) Order 2001, PART IV. (See end of Document for details)

### Local authorities

<sup>F13</sup>47. A local authority is exempt from the general prohibition in respect of any regulated activity of the kind specified by—

- (a) article 21, 25(1) or (2), 39A or 53 of the Regulated Activities Order (dealing in investments as agent, arranging deals in investments, assisting in the administration and performance of a contract of insurance or advising on investments) which relates to a non-qualifying contract of insurance; <sup>F14</sup> ...
- (b) article 25A, 53A or 61 of that Order (arranging, advising on, entering into or administering a regulated mortgage contract);
- [ article 25B, 53B or 63B of that Order (arranging, advising on, entering into or
- <sup>F15</sup>(c) administering a regulated home reversion plan); <sup>F16</sup> ...
- (d) article 25C, 53C or 63F of that Order (arranging, advising on, entering into or administering a regulated home purchase plan)]<sup>F17</sup>; [<sup>F18</sup>or]
- (e) article 25E, 53D or 63J of that Order (arranging, advising on, entering into or administering a regulated sale and rent back agreement)].
- [ article 36A or 60B of that Order (credit broking or entering into a regulated credit
- <sup>F19</sup>(f) agreement) in so far as the credit agreement (within the meaning of that Order) is secured on land; or
- (g) article 39D, 39E, 39F, 39G, 60N or 89A of that Order (activities in relation to debt, regulated consumer hire agreements and providing credit information services).]

#### Textual Amendments

- F13** Sch. para. 47 substituted (31.10.2004 for specified purposes, 14.1.2005 in so far as not already in force) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) (No. 2) Order 2003 (S.I. 2003/1675), arts. 1(3), **2(4)(b)**
- F14** Word in Sch. para. 47(a) omitted (6.11.2006 for specified purposes, 6.4.2007 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2006 (S.I. 2006/2383), arts. 1(2), **30(a)(i)**
- F15** Sch. paras. 47(c)(d) inserted (6.11.2006 for specified purposes, 6.4.2007 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2006 (S.I. 2006/2383), arts. 1(2), **30(a)(ii)**
- F16** Word in Sch. para. 47(c) omitted (1.7.2009 for specified purposes, 30.6.2010 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), arts. 1(2), **28(a)(i)**
- F17** Sch. para. 47(e) and word inserted (1.7.2009 for specified purposes, 30.6.2010 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), arts. 1(2), **28(a)(ii)**
- F18** Word in Sch. para. 47(d) omitted (26.7.2013 for specified purposes) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **14(3)(a)**
- F19** Sch. paras. 47(f)(g) inserted (26.7.2013 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **14(3)(b)**

### Social housing

<sup>F20</sup>**48.**—(1) A relevant housing body is exempt from the general prohibition in respect of any regulated activity of the kind specified by—

(a) article 21, 25(1) or (2), 39A or 53 of the Regulated Activities Order (dealing in investments as agent, arranging deals in investments, assisting in the administration and performance of a contract of insurance or advising on investments) which relates to a non-qualifying contract of insurance; <sup>F21</sup> ...

(b) article 25A, 53A or 61 of that Order (arranging, advising on, entering into or administering a regulated mortgage contract);

[ article 25B, 53B or 63B of that Order (arranging, advising on, entering into or <sup>F22</sup>(c) administering a regulated home reversion plan); <sup>F23</sup> ...

(d) article 25C, 53C or 63F of that Order (arranging, advising on, entering into or administering a regulated home purchase plan)];

[ article 25E, 53D or 63J of that Order (arranging, advising on, entering into or administering <sup>F24</sup>(e) a regulated sale and rent back agreement)].

(2) In this paragraph, “relevant housing body” means any of the following—

(a) a registered social landlord within the meaning of Part I of the Housing Act 1996;

[ a non-profit registered provider of social housing;] <sup>F25</sup>(aa)

(b) a registered social landlord within the meaning of the Housing (Scotland) Act 2001;

<sup>F26</sup>(c) .....

[ the Homes and Communities Agency;] <sup>F27</sup>(ca)

(d) Scottish Homes;

(e) the body established under article 9 of the Housing (Northern Ireland) Order 1981 known as the Northern Ireland Housing Executive;

[ Communities Scotland]. <sup>F28</sup>(f)

[ a housing association within the meaning of Part 2 of the Housing (Northern Ireland) Order <sup>F29</sup>(g) 1992.]]

#### Textual Amendments

**F20** Sch. para. 48 substituted (31.10.2004 for specified purposes, 14.1.2005 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Exemption\) \(Amendment\) \(No. 2\) Order 2003 \(S.I. 2003/1675\)](#), arts. 1(3), **2(4)(c)**

**F21** Word in Sch. para. 48(1)(a) omitted (6.11.2006 for specified purposes, 6.4.2007 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2006 \(S.I. 2006/2383\)](#), arts. 1(2), **30(b)(i)**

**F22** Sch. paras. 48(1)(c)(d) inserted (6.11.2006 for specified purposes, 6.4.2007 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2006 \(S.I. 2006/2383\)](#), arts. 1(2), **30(b)(ii)**

**F23** Word in Sch. para. 48(1)(c) omitted (1.7.2009 for specified purposes, 30.6.2010 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2009 \(S.I. 2009/1342\)](#), arts. 1(2), **28(b)(i)**

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**Changes to legislation:** There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Exemption) Order 2001, PART IV. (See end of Document for details)

- F24** Sch. para. 48(1)(e) inserted (1.7.2009 for specified purposes, 30.6.2010 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), arts. 1(2), **28(b)(ii)**
- F25** Sch. para. 48(2)(aa) inserted (1.4.2010) by The Housing and Regeneration Act 2008 (Consequential Provisions) (No. 2) Order 2010 (S.I. 2010/671), art. 1(2), **Sch. 1 para. 27** (with Sch. 2); S.I. 2010/862, art. 2
- F26** Sch. para. 48(2)(c) omitted (E.W.) (1.4.2012) by virtue of The Localism Act 2011 (Regulation of Social Housing) (Consequential Provisions) Order 2012 (S.I. 2012/641), arts. 1(2)(3), **2(5)** (with art. 3)
- F27** Sch. para. 48(2)(ca) inserted (E.W.) (1.12.2008) by The Housing and Regeneration Act 2008 (Consequential Provisions) (No. 2) Order 2008 (S.I. 2008/2831), art. 1(2), **Sch. 1 para. 11** (with Sch. 3, Sch. 4 paras. 5, 6); S.I. 2008/3068, **art. 2(1)(b)**
- F28** Sch. para. 48(2)(f) inserted (6.4.2005) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(a), **2(2)**
- F29** Sch. para. 48(2)(g) inserted (26.7.2011) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2011 (S.I. 2011/1626), arts. 1, **2**

### *<sup>F30</sup>Electricity industry*

#### **Textual Amendments**

- F30** Sch. para. 49 and cross-heading inserted (1.12.2001) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2001 (S.I. 2001/3623), arts. 1, **8**

**49.**—(1) NGC is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 14, 21, 25 [<sup>F31</sup>, 25D] or 53 of the Regulated Activities Order (dealing in investments as principal or agent, arranging deals in investments [<sup>F31</sup>, operating a multilateral trading facility] or advising on investments) which it carries on in the course of—

- (a) its participation in the Balancing and Settlement Arrangements as operator of the electricity transmission system in [<sup>F32</sup>Great Britain] under the Transmission Licence; or
- (b) the acquisition by it of Balancing Services in accordance with the Electricity Act 1989 and the Transmission Licence.

(2) ELEXON Clear Limited is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 14, 21 [<sup>F33</sup>, 25 or 25D] of that Order which it carries on in the course of its participation in the Balancing and Settlement Arrangements as clearer for the purposes of (among other things) receiving from and paying to BSC Parties trading and reconciliation charges arising under the Balancing and Settlement Arrangements.

(3) Each BSC Party is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 14, 21, 25 [<sup>F34</sup>, 25D] or 53 of that Order which it carries on in the course of—

- (a) its participation in the Balancing and Settlement Arrangements; or
- (b) the provision by it (or, in the case of an activity of the kind specified by article 21 of that Order, its principal) of Balancing Services to NGC.

(4) ELEXON Limited is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 25 [<sup>F35</sup> or 25D] of that Order which it carries on in the course of its participation in the Balancing and Settlement Arrangements as administrator.



(5) Each BSC Agent and each Volume Notification Agent is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 25 [<sup>F36</sup>or 25D] of that Order which it carries on in that capacity.

<sup>F37</sup>(6) .....

(7) In this paragraph—

“Ancillary Services” means services which generators and suppliers of electricity and those making transfers of electricity across an Interconnector are required (as a condition of their connection to the transmission system in [<sup>F32</sup>Great Britain]), or have agreed, to make available to NGC for the purpose of securing the stability of the electricity transmission or any distribution system in [<sup>F32</sup>Great Britain] or any system linked to it by an Interconnector;

“Balancing and Settlement Arrangements” means—

- (a) the Balancing Mechanism; and
- (b) arrangements—
  - (i) for the determination and allocation to BSC Parties of the quantities of electricity that have been delivered to and taken off the electricity transmission system and any distribution system in [<sup>F32</sup>Great Britain]; and
  - (ii) which set, and provide for the determination and financial settlement of, BSC Parties' obligations arising by reference to the quantities referred to in subparagraph (i), including the difference between such quantities (after taking account of accepted bids and offers in the Balancing Mechanism) and the quantities of electricity contracted for sale and purchase between BSC Parties;

“Balancing Mechanism” means the arrangements pursuant to which BSC Parties may make, and NGC may accept, offers or bids to increase or decrease the quantities of electricity to be delivered to or taken off the electricity transmission system or any distribution system in [<sup>F32</sup>Great Britain] at any time or during any period so as to assist NGC in operating and balancing the electricity transmission system, and arrangements for the settlement of financial obligations arising from the acceptance of such offers and bids;

“Balancing Services” means—

- (a) offers and bids made in the Balancing Mechanism;
- (b) Ancillary Services; and
- (c) other services available to NGC which assist it in operating the electricity transmission system in accordance with the Electricity Act 1989 and the Transmission Licence;

“BSC Agents” means the persons for the time being engaged by or on behalf of ELEXON Limited for the purpose of providing services to all BSC Parties, NGC, ELEXON Limited and ELEXON Clear Limited in connection with the operation of the Balancing and Settlement Arrangements;

[<sup>F38</sup>“BSC Framework Agreement” means the agreement of that title in the form approved by the Secretary of State for the purpose of conditions of the Transmission Licence and which is dated 14 August 2000; and “conditions” for the purposes of this definition means conditions determined by the Secretary of State under powers granted by section 137(1) of the Energy Act 2004. and incorporated into existing electricity transmission licences by a scheme made by the Secretary of State pursuant to section 138 of, and Schedule 17 to, that Act;]

“BSC Parties” means those persons (other than NGC, ELEXON Limited and ELEXON Clear Limited) who have signed or acceded to (in accordance with the terms of the BSC Framework Agreement), and not withdrawn from, the BSC Framework Agreement;

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“Interconnector” means the electric lines and electrical plant [<sup>F39</sup>and meters] used [<sup>F40</sup>solely] for the transfer of electricity to or from the electricity transmission system <sup>F41</sup>... in [<sup>F32</sup>Great Britain] into or out of [<sup>F32</sup>Great Britain];

“NGC” means <sup>F42</sup>... National Grid Company plc;

<sup>F43</sup>  
...

“the Transmission Licence” means the licence to [<sup>F44</sup>participate in the transmission of] electricity in [<sup>F32</sup>Great Britain] granted [<sup>F45</sup>, or treated as granted,] to NGC under section 6(1) (b) of the Electricity Act 1989; and

“Volume Notification Agents” means the persons for the time being appointed and authorised under and in accordance with the Balancing and Settlement Arrangements on behalf of BSC Parties to notify to the BSC Agent designated for that purpose pursuant to the Balancing and Settlement Arrangements quantities of electricity contracted for the sale and purchase between those BSC Parties to be taken into account for the purposes of the Balancing and Settlement Arrangements.]

#### Textual Amendments

- F31** Words in Sch. para. 49(1) inserted (1.11.2007) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2007 (S.I. 2007/125), arts. 1, **6(c)(i)**
- F32** Words in Sch. para. 49 substituted (1.4.2005) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(b), **3(2)**
- F33** Words in Sch. para. 49(2) substituted (1.11.2007) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2007 (S.I. 2007/125), arts. 1, **6(c)(ii)**
- F34** Word in Sch. para. 49(3) inserted (1.11.2007) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2007 (S.I. 2007/125), arts. 1, **6(c)(iii)**
- F35** Words in Sch. para. 49(4) inserted (1.11.2007) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2007 (S.I. 2007/125), arts. 1, **6(c)(iv)**
- F36** Words in Sch. para. 49(5) inserted (1.11.2007) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2007 (S.I. 2007/125), arts. 1, **6(c)(v)**
- F37** Sch. para. 49(6) omitted (1.4.2005) by virtue of The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(b), **3(3)**
- F38** Words in Sch. para. 49(7) substituted (1.4.2005) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(b), **3(4)(a)**
- F39** Words in Sch. para. 49(7) inserted (1.4.2005) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(b), **3(4)(b)(i)**
- F40** Word in Sch. para. 49(7) inserted (1.4.2005) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(b), **3(4)(b)(ii)**
- F41** Words in Sch. para. 49(7) omitted (1.4.2005) by virtue of The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(b), **3(4)(b)(iii)**
- F42** Word in Sch. para. 49(7) revoked (1.4.2005) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(b), **3(4)(c)**
- F43** Words in Sch. para. 49(7) omitted (1.4.2005) by virtue of The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(b), **3(4)(d)**
- F44** Words in Sch. para. 49(7) substituted (1.4.2005) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(b), **3(4)(e)(i)**
- F45** Words in Sch. para. 49(7) inserted (1.4.2005) by The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2005 (S.I. 2005/592), arts. 1(2)(b), **3(4)(e)(ii)**

*<sup>F46</sup>Freight forwarders and storage firms*

**Textual Amendments**

**F46** Sch. paras. 50, 51 and cross-headings inserted (20.7.2007) by The Financial Services and Markets Act 2000 (Exemption) (Amendment No. 2) Order 2007 (S.I. 2007/1821), arts. 1(2), **2(4)**

**50.**—(1) A freight forwarder or storage firm is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 21, 25, 39A or 53 of the Regulated Activities Order (dealing in investments as agent, arranging deals in investments, assisting in the administration and performance of a contract of insurance or advising on investments) in the circumstances referred to in paragraph 2.

(2) The circumstances are—

(a) where a freight forwarder (“F”)—

- (i) holds a policy of insurance which insures F in respect of loss of or damage to goods which F transports or of which F arranges the transportation, and
- (ii) makes available to a customer rights under that policy to enable the customer to claim directly against the insurer in respect of loss or damage to those goods; or

(b) where a storage firm (“S”)—

- (i) holds a policy of insurance which insures S in respect of loss of or damage to goods which S stores or for which S arranges storage, and
- (ii) makes available to a customer rights under that policy to enable the customer to claim directly against the insurer in respect of loss or damage to those goods.

(3) In this paragraph—

- (a) “freight forwarder” means a person whose principal business is arranging or carrying out the transportation of goods;
- (b) “storage firm” means a person whose principal business is storing goods or arranging storage for goods;
- (c) “customer” means a person <sup>F47</sup>... who uses the service of a freight forwarder or storage firm.

**Textual Amendments**

**F47** Words in Sch. para. 50(3) omitted (6.4.2009) by virtue of The Financial Services and Markets Act 2000 (Exemption) (Amendment) (No. 2) Order 2009 (S.I. 2009/264), arts. 1, **2(2)**

*Policyholder Advocates*

**51.**—(1) A person acting as a policyholder advocate is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 25 or 53 of the Regulated Activities Order (arranging deals in investments or advising on investments) in so far as he carries on these activities in connection with, or for the purposes of, his role as policyholder advocate.

(2) In sub-paragraph (1), “policyholder advocate” means a person who is—

- (a) appointed by an insurer (“I”) to represent the interests of policyholders in negotiations with I about I’s proposals to redefine the rights and interests in any surplus assets arising in I’s with-profits fund; and
- (b) approved or nominated by the [<sup>F48</sup>FCA] to carry out that role.

**Status:** Point in time view as at 26/07/2013.

**Changes to legislation:** There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Exemption) Order 2001, PART IV. (See end of Document for details)

(3) In sub-paragraph (2), “with-profits fund” means a long-term insurance fund in which policyholders are eligible to participate in surplus assets of the fund.]

#### Textual Amendments

**F48** Word in [Sch. para. 51\(2\)\(b\)](#) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), [Sch. 2 para. 38](#)

*[<sup>F49</sup>Insolvency practitioners etc.*

#### Textual Amendments

**F49** [Sch. paras. 52-54](#) and cross-headings inserted (26.7.2013 for specified purposes) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), arts. 1(2)(6), [14\(4\)](#)

**52.—(1)** A person acting as—

- (a) an insolvency practitioner,
- (b) an official receiver within the meaning of section 399 of the Insolvency Act 1986 or article 2 of the Insolvency (Northern Ireland) Order 1989, or
- (c) a judicial factor,

is exempt from the general prohibition in respect of any regulated activity of the kind specified by any of articles 39D to 39G (activities in relation to debt) or 89A (providing credit information services) of the Regulated Activities Order.

(2) A person acting in reasonable contemplation of appointment as an insolvency practitioner is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 39D (debt adjusting), 39E (debt-counselling) or 89A (providing credit information services) of that Order.

(3) In this paragraph, “acting as an insolvency practitioner” is to be read with section 388 of the Insolvency Act 1986 or article 3 of the Insolvency (Northern Ireland) Order 1989.

*Cycle to work*

**53.—(1)** An employer who provides or makes available to their employees a cycle or cyclist's safety equipment up to the value of £1,000 under a relevant employee benefit scheme is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 60N of the Regulated Activities Order (regulated consumer hire agreements).

(2) For the purposes of this paragraph—

“cycle” has the meaning given by section 192(1) of the Road Traffic Act 1988 (general interpretation);

“relevant employee benefit scheme” means a scheme operated by an employer which is designed to allow employees to take advantage of section 244 of the Income Tax (Earnings and Pensions) Act 2003 (no liability to income tax in relation to cycles and cyclist's safety equipment) and under which cycles or cyclist's safety equipment are made available in the manner described in any guidance issued by the Secretary of State.

### *Tracing agents*

**54.—**(1) A person who takes steps to ascertain the identity or location (or the means of ascertaining the identity or location) of a borrower or hirer is exempt from the general prohibition in respect of any regulated activity of the kind specified by article 39F of the Regulated Activities Order (debt-collecting) so long as the person is not the lender under the agreement concerned or the owner under the consumer hire agreement concerned and takes no other steps to procure the payment of debts due under the agreement.

(2) In this article, “borrower”, “hirer”, “lender” and “owner” have the meanings given by the Regulated Activities Order.]

**Status:**

Point in time view as at 26/07/2013.

**Changes to legislation:**

There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Exemption) Order 2001, PART IV.