
STATUTORY INSTRUMENTS

2001 No. 2507

FINANCIAL SERVICES AND MARKETS

**The Financial Services and Markets Act 2000
(Variation of Threshold Conditions) Order 2001**

Made - - - - 12th July 2001
Laid before Parliament 13th July 2001
Coming into force in accordance with article 1(1)

The Treasury, in exercise of the powers conferred upon them by paragraphs 8 and 9 of Schedule 6 to, and section 428(3) of, the Financial Services and Markets Act 2000⁽¹⁾, hereby make the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 and comes into force on the day on which paragraphs 1 to 7 of Schedule 6 come into force.

(2) In this Order—

^{F1} ...

[^{F2}“the Act” means the Financial Services and Markets Act 2000;]

“supervisory authority” means an authority responsible for supervising persons carrying on insurance business;

“Swiss general insurance company” means a person—

- (a) whose head office is in Switzerland;
- (b) who is authorised by the supervisory authority in Switzerland as mentioned in Article 7.1 of the Agreement between the European Economic Community and the Swiss Confederation on direct insurance other than life insurance, signed at Luxembourg on 10 October 1989⁽²⁾;
- (c) who is seeking to carry on, or is carrying on, from a branch in the United Kingdom, a regulated activity consisting of the effecting or carrying out of contracts of insurance of a kind which is subject to that Agreement.

(1) 2000 c. 8.

(2) Annexed to Council Decision [91/370/EEC](#), O.J. No. L205, 27.07.1991, p. 2.

Status: Point in time view as at 01/04/2013.

Changes to legislation: There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001. (See end of Document for details)

- F1** Words in art. 1(2) omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(a)(i)**
- F2** Words in art. 1(2) inserted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(a)(ii)**

Commencement Information

- I1** Art. 1 in force at 3.9.2001 in accordance with **art. 1(1)**

[^{F3}Non-EEA insurers: specified regulator

2A. The PRA is specified for the purposes of paragraph 8(2)(b) of Schedule 6 to the Act.]

- F3** Art. 2A substituted for art. 2 (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(b)**

Non-EEA insurers

3.—(1) If paragraph 8 of Schedule 6 (additional conditions applying to non-EEA insurers) applies to the person concerned, it must, for the purposes of [^{F4}section 55B(3) of the Act], satisfy the following additional conditions—

- (a) it must have a representative who is resident in the United Kingdom and who has authority to bind it in its relations with third parties and to represent it in its relations with [^{F5}the PRA] and the courts in the United Kingdom;
- (b) subject to paragraph (2), if the person concerned is not a Swiss general insurance company—
 - (i) it must be a body corporate entitled under the law of the place where its head office is situated to effect and carry out contracts of insurance;
 - (ii) it must have in the United Kingdom assets of such value as may be specified;
 - (iii) unless the regulated activity in question relates solely to reinsurance, it must have made a deposit (of money or securities, as may be specified) of such an amount and with such a person as may be specified, and on such terms and subject to such other provisions as may be specified.

(2) Where the person concerned is seeking to carry on an activity relating to insurance business in one or more other EEA States (as well as in the United Kingdom), and [^{F6}the PRA] and the supervisory authority in the other EEA State or States concerned so agree—

- (a) the reference in paragraph (1)(b)(ii) to the United Kingdom is to be read as a reference to the United Kingdom and the other EEA State or States concerned; and
- (b) the reference in paragraph (1)(b)(iii) to such a person as may be specified is to be read as a reference to such a person as may be agreed between [^{F6}the PRA] and the other supervisory authority or authorities concerned.

[^{F7}(3) The conditions set out in [^{F8}paragraphs 3D and 4E (suitability) and paragraph 4D (business to be conducted in a prudent manner) (in so far as it relates to appropriate financial resources) of Schedule 6 do not apply] in relation to a Swiss general insurance company.]

(4) In this article, “specified” means specified in rules.

[^{F9}(5) The additional conditions specified in this article are relevant to the discharge by the PRA of its functions under the Act in relation to the person concerned.

(6) Any agreement made for the purpose of paragraph (2) by the Financial Services Authority before 1st April 2013, and in effect immediately before that date, is to be treated for the purposes of this article as if it had been made by the PRA.]

- F4** Words in art. 3(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(c)(i)**
- F5** Words in art. 3(1)(a) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(c)(ii)**
- F6** Words in art. 3(2) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(c)(iii)**
- F7** Art. 3(3) substituted (6.4.2005) by The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) (Amendment) Order 2005 (S.I. 2005/680), arts. 1, **2(2)**
- F8** Words in art. 3(3) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(c)(iv)**
- F9** Art. 3(5)(6) inserted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(c)(v)**

Commencement Information

- I2** Art. 3 in force at 3.9.2001 in accordance with **art. 1(1)**

[^{F10}Swiss general insurance companies

4.—(1) A Swiss general insurance company must, for the purposes of [^{F11}section 55B(3) of the Act], satisfy the following additional conditions—

- (a) the value of the assets of the business carried on by it in the United Kingdom must not fall below the amount of the liabilities of that business, that value and amount being determined in such manner as may be specified;
- (b) such assets must be maintained in such places as may be specified and must be of such a nature as may be specified as being appropriate in relation to the currency in which the liabilities of the company are or may be required to be met; and
- (c) when applying to the [^{F12}PRA] for permission to carry on a regulated activity it must submit to the [^{F12}PRA] a statement from the supervisory authorities in Switzerland—
 - (i) stating the classes of insurance business which the company is authorised to carry on in Switzerland,
 - (ii) specifying the risks covered there,
 - (iii) declaring that the company is constituted in Switzerland in a form permitted by Annex 3 of the Agreement signed on 10th October 1989 between the European Economic Community and the Swiss Confederation on direct insurance other than life assurance,
 - (iv) confirming that the company limits its business activities to insurance and to operations directly arising therefrom to the exclusion of all other commercial business, and
 - (v) declaring that the company has the required solvency margin or minimum guarantee fund.

(2) In this article, “specified” means specified in rules.

[^{F13}(3) The additional conditions specified in this article are relevant to the discharge by the PRA of its functions under the Act in relation to the person concerned.]]

Status: Point in time view as at 01/04/2013.

Changes to legislation: There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001. (See end of Document for details)

- F10** Art. 4 inserted (6.4.2005) by The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) (Amendment) Order 2005 (S.I. 2005/680), arts. 1, **2(3)**
- F11** Words in art. 4(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(d)(i)**
- F12** Words in art. 4(1)(c) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(d)(ii)**
- F13** Art. 4(3) inserted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 50(d)(iii)**

Nick Ainger
Tony McNulty
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order varies the threshold conditions in Schedule 6 to the Financial Services and Markets Act 2000, which authorised persons, and applicants for authorisation, under that Act must satisfy.

Article 2 varies the condition set out in paragraph 1(1) of Schedule 6 with the effect that limited liability partnerships, a new form of legal entity created by the Limited Liability Partnerships Act 2000 (c. 12), are not eligible to obtain permission to effect or carry out contracts of insurance.

Article 3(1) sets out additional threshold conditions which must be satisfied by insurers having their head office outside the European Economic Area. Conversely, article 3(3) provides that the conditions set out in paragraphs 3 to 5 of Schedule 6 (relating to the supervision of persons who have close links with other persons; adequacy of resources; and fitness and properness) do not apply to Swiss general insurance companies (as defined in article 1(2)).

Status:

Point in time view as at 01/04/2013.

Changes to legislation:

There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001.