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STATUTORY INSTRUMENTS

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**2001 No. 2636**

**The Financial Services and Markets Act 2000 (Transitional Provisions) (Authorised Persons etc. ) Order 2001**

**PART II**

**AUTHORISATION AND PERMISSION FOR  
PERSONS AUTHORISED ETC. UNDER OLD LAW**

**CHAPTER I**

permissions under part iv of the act

*Friendly societies etc.*

**Friendly societies authorised under the Friendly Societies Act**

**18.**—(1) This article applies to a friendly society which was, immediately before commencement, authorised under section 32 of the Friendly Societies Act or deemed to have been authorised under that section.

(2) A friendly society to which this article applies is to be treated as having, at commencement, a Part IV permission to carry on—

- (a) any regulated activities which, immediately before commencement, it was by reason of its authorisation under section 32 of the Friendly Societies Act able to carry on without contravening section 31(1) of that Act<sup>(1)</sup>; and
- (b) any regulated activities which it would then have been able so to carry on but for—
  - (i) a restriction imposed under section 32(4) of the Friendly Societies Act<sup>(2)</sup>; or
  - (ii) a direction given under section 40 of that Act<sup>(3)</sup> (withdrawal of authorisation in respect of new business);
- (c) any regulated activity of the kind specified by article 5 of the Regulated Activities Order (accepting deposits) which it had power to carry on by virtue of section 7(2) or (4) of the Friendly Societies Act.

(3) Where immediately before commencement a direction that a society cease to be authorised has been given under section 41 of the Friendly Societies Act<sup>(4)</sup> but that direction has not come into effect by virtue of section 58(3) of that Act—

- (a) paragraph (2) applies to that society as if no direction had been given; but

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(1) In relation to the effect of authorisation under Part IV of the Friendly Societies Act, relevant amendments to that Part were made by S.I.1993/2519 and S.I. 1994/1984.  
(2) Section 32(4) of the Friendly Societies Act was substituted by reg. 4 of S.I. 1994/1984.  
(3) Section 40 was amended by S.I. 1994/1984.  
(4) Section 41 was amended by S.I. 1994/1984 and S.I. 1997/2849.

- (b) the permission to carry on the regulated activities referred to in paragraph (2) lapses at the end of the period within which an appeal can be brought against the direction unless such an appeal is brought within that period.

(4) Where a date falling after commencement (“the expiry date”) had been fixed for the expiry of the society’s authorisation under section 39(5) of the Friendly Societies Act, the society’s permission to carry on the regulated activities referred to in paragraph (2) (to the extent that those activities relate to contracts of insurance covered by the direction) lapses on whichever is the later of—

- (a) the expiry date; or  
 (b) the end of the period within which the society can bring an appeal against the decision to refuse authorisation,

but that permission does not so lapse if an appeal is brought within the period mentioned in sub-paragraph (b).

#### Commencement Information

**II** [Art. 18](#) in force at 1.12.2001, see [art. 1\(2\)\(b\)](#)

#### Friendly societies: other permissions

**19.**—(1) A friendly society is to be treated as having, at commencement, a Part IV permission to carry on any regulated activity which it was, immediately before commencement, able by virtue of section 31(2) or (3) of the Friendly Societies Act to carry on without contravening section 31(1) of that Act.

(2) Any friendly society which immediately before commencement was authorised under section 23 of the Financial Services Act is to be treated as having, at commencement, a Part IV permission to carry on any regulated activities which it was, immediately before commencement, by reason of that authorisation able to carry on in the United Kingdom without contravening section 3 of that Act.

[<sup>F1</sup>(2A) Any friendly society which was not, immediately before commencement, authorised under the Financial Services Act is to be treated as having, at commencement a Part IV permission to carry on regulated activities—

- (a) of the kind specified by article 14 of the Regulated Activities Order (dealing in investments as principal) in so far as it consists of the society entering into a transaction of the kind mentioned in article 16 of that Order (dealing in contractually based investments); and  
 (b) of the kind specified by article 64 of that Order (agreeing to carry on specified kinds of activity) in so far as the activity relates to the activity mentioned in sub-paragraph (a),

in so far as those activities are carried on for or in connection with the regulated activities referred to in article 18(2)(a).]

(3) Any friendly society which has, on commencement, a Part IV permission by virtue of this Order (apart from this paragraph) is to be treated as having, on commencement, permission to carry on any regulated activity which it was, immediately before commencement, able by virtue of paragraph 6 of Schedule 2 to the Banking Act to carry on without contravening section 3 of that Act.

(4) The conditions set out in paragraph 1 (legal status) of Schedule 6 (threshold conditions) do not apply in relation to a society falling within this article if it did not meet those conditions immediately before commencement.

#### Textual Amendments

- F1** [Art. 19\(2A\)](#) inserted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Miscellaneous Provisions\) Order 2001 \(S.I. 2001/3650\)](#), arts. 1(a), **8**

#### Commencement Information

- I2** [Art. 19](#) in force at 1.12.2001, see [art. 1\(2\)\(b\)](#)

### Societies registered under the Friendly Societies Act 1974

**20.**—(1) Paragraph (2) applies to a society which—

- (a) is registered under the Friendly Societies Act 1974**(5)**;
- (b) was, immediately before commencement, exempted from the need for authorisation under the Banking Act by virtue of paragraph 6 or 7 of Schedule 2 to that Act;
- (c) does not have, on commencement, a Part IV permission.

(2) Subject to paragraphs (3) and (4), a society to which this paragraph applies is to be treated after commencement as being exempt from the general prohibition in respect of any regulated activity of the kind specified by article 5 of the Regulated Activities Order (accepting deposits).

(3) Where a society to which this article applies is a registered friendly society within the meaning of section 7(1)(a) of the Friendly Societies Act 1974, paragraph (2) applies only to the extent that the regulated activity being carried on is permitted by the rules of the society.

(4) Paragraph (2) does not apply to the St Paul’s Mutual Aid Society or the Leicester Foresters Investment Society but those societies are exempt from the general prohibition in respect of any regulated activity of the kind referred to in paragraph (2) until 1st July 2002.

#### Commencement Information

- I3** [Art. 20](#) in force at 1.12.2001, see [art. 1\(2\)\(b\)](#)

### Insurance business carried on overseas by friendly societies before commencement

**21.**—(1) A friendly society which was, immediately before commencement—

- (a) authorised under the Friendly Societies Act to carry on insurance business (within the meaning of that Act); and
- (b) carrying on overseas insurance business,

is to be treated as having, at commencement, a Part IV permission to carry on any corresponding overseas regulated activities in the country or territory where it carried on that overseas insurance business.

(2) In this article—

“corresponding overseas regulated activities” means regulated activities which—

- (a) the society carries on after commencement by virtue of continuing to carry on its overseas insurance business; and
- (b) the society is regarded as carrying on in the United Kingdom by virtue of section 418;

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**Changes to legislation:** *There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Transitional Provisions) (Authorised Persons etc. ) Order 2001, Cross Heading: Friendly societies etc.. (See end of Document for details)*

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“overseas insurance business” means business which constituted insurance business within the meaning of section 21(1) of the Friendly Societies Act and which the society was carrying on in a country or territory outside the United Kingdom without contravening either paragraph 1 or 5 of Schedule 13B to that Act.

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**Commencement Information**

**I4** [Art. 21](#) in force at 1.12.2001, see [art. 1\(2\)\(b\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Transitional Provisions) (Authorised Persons etc. ) Order 2001, Cross Heading: Friendly societies etc..