
STATUTORY INSTRUMENTS

2001 No. 544

The Financial Services and Markets Act
2000 (Regulated Activities) Order 2001

PART II

SPECIFIED ACTIVITIES

CHAPTER IV

Dealing in Investments as Principal

Exclusions

Risk management

19.—(1) A person (“B”) does not carry on an activity of the kind specified by article 14 by entering as principal into a transaction with another person (“C”) if—

- (a) the transaction relates to investments of the kind specified by any of articles 83 to 85 (or article 89 so far as relevant to any of those articles);
- (b) neither B nor C is an individual;
- (c) the sole or main purpose for which B enters into the transaction (either by itself or in combination with other such transactions) is that of limiting the extent to which a relevant business will be affected by any identifiable risk arising otherwise than as a result of the carrying on of a regulated activity; and
- (d) the relevant business consists mainly of activities other than—
 - (i) regulated activities; or
 - (ii) activities which would be regulated activities but for any exclusion made by this Part.

(2) In paragraph (1), “relevant business” means a business carried on by—

- (a) B;
- (b) a member of the same group as B; or
- (c) where B and another person are, or propose to become, participators in a joint enterprise, that other person.