
STATUTORY INSTRUMENTS

2001 No. 544

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

PART II

SPECIFIED ACTIVITIES

[^{F1}CHAPTER 14A

REGULATED CREDIT AGREEMENTS

The activities

[^{F1}Exempt agreements: exemptions relating to the total charge for credit

60G.—(1) A credit agreement is an exempt agreement for the purposes of this Chapter in the following cases.

- (2) A credit agreement is an exempt agreement if—
 - (a) it is a borrower-lender agreement, and
 - (b) the lender is a credit union and the rate of the total charge for credit does not exceed 42.6 per cent.
- (3) A credit agreement is an exempt agreement if—
 - (a) it is a borrower-lender agreement,
 - (b) it is an agreement of a kind offered to a particular class of individual or relevant recipient of credit and not offered to the public generally,
 - (c) it provides that the only charge included in the total charge for credit is interest,
 - (d) interest under the agreement may not at any time be more than the sum of one per cent and the highest of the base rates published by the banks specified in paragraph (7) on the date 28 days before the date on which the interest is charged, and
 - (e) paragraph (5) does not apply to the agreement.
- (4) A credit agreement is an exempt agreement if—
 - (a) it is a borrower-lender agreement,
 - (b) it is an agreement of a kind offered to a particular class of individual or relevant recipient of credit and not offered to the public generally,
 - (c) it does not provide for or permit an increase in the rate or amount of any item which is included in the total charge for credit,
 - (d) the total charge for credit under the agreement is not more than the sum of one per cent and the highest of the base rates published by the banks specified in paragraph (7) on the date 28 days before the date on which the charge is imposed, and

*Status: Point in time view as at 26/07/2013. This version of this provision has been superseded.
Changes to legislation: The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, Section 60G is up to date with all changes known to be in force on or before 25 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)*

- (e) paragraph (5) does not apply to the agreement.
- (5) This paragraph applies to an agreement if—
 - (a) the total amount to be repaid by the borrower to discharge the borrower’s indebtedness may vary according to a formula which is specified in the agreement and which has effect by reference to movements in the level of any index or other factor, or
 - (b) the agreement—
 - (i) is not secured on land,
 - (ii) is not offered by a lender who is an employer to a borrower as an incident of employment with the lender, and
 - (iii) does not meet the general interest test.
- (6) For the purposes of paragraph (5), an agreement meets the general interest test if—
 - (a) the agreement is offered under an enactment with a general interest purpose, and
 - (b) the terms on which the credit is provided are more favourable to the borrower than those prevailing on the market, either because the rate of interest is lower than that prevailing on the market, or because the rate of interest is no higher than that prevailing on the market but the other terms on which credit is provided are more favourable to the borrower.
- (7) The banks specified in this paragraph are—
 - (a) the Bank of England;
 - (b) Bank of Scotland;
 - (c) Barclays Bank plc;
 - (d) Clydesdale Bank plc;
 - (e) Co-operative Bank Public Limited Company;
 - (f) Coutts & Co;
 - (g) National Westminster Bank Public Limited Company;
 - (h) the Royal Bank of Scotland plc.]

Textual Amendments

F1 Pt. 2 Chs. 14A, 14B 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**

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