

---

STATUTORY INSTRUMENTS

---

**2001 No. 544**

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

PART II **U.K.**

SPECIFIED ACTIVITIES

[<sup>F1</sup>CHAPTER 14A **U.K.**

REGULATED CREDIT AGREEMENTS

*The activities*

[<sup>F1</sup>**Exempt agreements: exemptions relating to the total charge for credit** **U.K.**

**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, <sup>F2</sup>...
- (b) the lender is a credit union and the rate of the total charge for credit does not exceed 42.6 per cent<sup>F3</sup>, and
- (c) paragraph (2A) applies to the agreement.]

[  
<sup>F4</sup>(2A) This paragraph applies to the agreement if—

- (a) the agreement is not [<sup>F5</sup>one to which subsection (2) of section 423A of the Act applies]; <sup>F6</sup>...
- (b) the agreement is [<sup>F7</sup>one to which that subsection applies] and—
  - (i) the agreement is [<sup>F8</sup>one to which subsection (3) of that section applies],
  - (ii) the agreement is a bridging loan <sup>F9</sup>..., or
  - (iii) in relation to the agreement—
    - (aa) the borrower receives timely information on the main features, risks and costs of the agreement at the pre-contractual stage, and
    - (bb) any advertising of the agreement is fair, clear and not misleading<sup>F10</sup>; or
- (c) the agreement was entered into before 21st March 2016.]]

(3) [<sup>F11</sup>Subject to paragraph (8), 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,

---

**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 03 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) View outstanding changes

---

- (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) <sup>F12</sup>Subject to paragraph (8), 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
  - (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
- [ the agreement—
- <sup>F13</sup>(b) (i) is not—
- (aa) secured on land, or
  - <sup>F14</sup>(bb) offered by a lender to a borrower as an incident of the borrower's employment with the lender or with an undertaking in the same group as the lender;]
- (ii) does not meet the general interest test.]
- (6) For the purposes of <sup>F15</sup>paragraphs (5) and (8)], 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.

[

<sup>F16</sup>(8) A credit agreement [<sup>F17</sup>to which subsection (2) of section 423A of the Act applies][<sup>F18</sup>which is entered into on or after 21st March 2016] is an exempt agreement pursuant to paragraph (3) or (4) only if—

- (a) the agreement meets the general interest test;
- (b) the borrower receives timely information on the main features, risks and costs of the agreement at the pre-contractual stage; and
- (c) any advertising of the agreement is fair, clear and not misleading.]

[  
<sup>F19</sup>(9) In this article “bridging loan” means a mortgage agreement that—

- (a) is of no fixed duration or is due to be repaid within 12 months, and
- (b) is used by a consumer, within the meaning given by section 423A(4) of the Act, as a temporary financing solution while transitioning to another financial arrangement for the immovable property concerned.]]

#### Textual Amendments

- F1** Pt. II Ch. 14A, 14B inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), art. 1(2)(6), 6
- F2** Word in art. 60G(2) omitted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by virtue of [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), [Sch. 1 para. 4\(17\)\(a\)\(i\)](#) (with Pt. 4)
- F3** Art. 60G(2)(c) and word inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), [Sch. 1 para. 4\(17\)\(a\)\(ii\)](#) (with Pt. 4)
- F4** Art. 60G(2A) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), [Sch. 1 para. 4\(17\)\(b\)](#) (with Pt. 4)
- F5** Words in art. 60G(2A)(a) substituted (31.12.2020) by [The Financial Services and Markets Act 2000 \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/632\)](#), regs. 1(3), [140\(2\)](#) (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3))); 2020 c. 1, Sch. 5 para. 1(1)
- F6** Word in art. 60G(2A) omitted (17.3.2016 for specified purposes, 21.3.2016 in so far as not already in force) by virtue of [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2016 \(S.I. 2016/392\)](#), art. 1(2)(3)(c), [2\(14\)\(a\)\(i\)](#) (with Pt. 5)
- F7** Words in art. 60G(2A)(b) substituted (31.12.2020) by [The Financial Services and Markets Act 2000 \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/632\)](#), regs. 1(3), [140\(3\)\(a\)](#) (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3))); 2020 c. 1, Sch. 5 para. 1(1)
- F8** Words in art. 60G(2A)(b)(i) substituted (31.12.2020) by [The Financial Services and Markets Act 2000 \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/632\)](#), regs. 1(3), [140\(3\)\(b\)](#) (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3))); 2020 c. 1, Sch. 5 para. 1(1)
- F9** Words in art. 60G(2A)(b)(ii) omitted (31.12.2020) by virtue of [The Financial Services and Markets Act 2000 \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/632\)](#), regs. 1(3), [140\(3\)\(c\)](#) (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3))); 2020 c. 1, Sch. 5 para. 1(1)
- F10** Art. 60G(2A)(c) and word inserted (17.3.2016 for specified purposes, 21.3.2016 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2016 \(S.I. 2016/392\)](#), art. 1(2)(3)(c), [2\(14\)\(a\)\(ii\)](#) (with Pt. 5)
- F11** Words in art. 60G(3) substituted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), [Sch. 1 para. 4\(17\)\(c\)](#) (with Pt. 4)

---

**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 03 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) View outstanding changes*

---

- F12** Words in art. 60G(4) substituted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), **Sch. 1 para. 4(17)(d)** (with Pt. 4)
- F13** Art. 60G(5)(b) substituted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2014 \(S.I. 2014/366\)](#), art. 1(3)(4), **2(28)**
- F14** Art. 60G(5)(b)(i)(bb) substituted (18.3.2015) by [The Financial Services and Markets Act 2000 \(Miscellaneous Provisions\) \(No. 2\) Order 2015 \(S.I. 2015/352\)](#), arts. 1, **2(b)**
- F15** Words in art. 60G(6) substituted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), **Sch. 1 para. 4(17)(e)** (with Pt. 4)
- F16** Art. 60G(8) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by [The Mortgage Credit Directive Order 2015 \(S.I. 2015/910\)](#), art. 1(5), **Sch. 1 para. 4(17)(f)** (with Pt. 4)
- F17** Words in art. 60G(8) substituted (31.12.2020) by [The Financial Services and Markets Act 2000 \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/632\)](#), regs. 1(3), **140(4)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3))); 2020 c. 1, Sch. 5 para. 1(1)
- F18** Words in art. 60G(8) inserted (17.3.2016 for specified purposes, 21.3.2016 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2016 \(S.I. 2016/392\)](#), art. 1(2)(3)(c), **2(14)(b)** (with Pt. 5)
- F19** Art. 60G(9) inserted (31.12.2020) by [The Financial Services and Markets Act 2000 \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/632\)](#), regs. 1(3), **140(5)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1212, regs. 1(3), 22(3))); 2020 c. 1, Sch. 5 para. 1(1)

**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 03 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.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- Sch. 3 Pt. 1 para. 2(c) words substituted by [S.I. 2023/548 art. 2\(5\)](#)