
STATUTORY INSTRUMENTS

2001 No. 544

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

PART II

SPECIFIED ACTIVITIES

CHAPTER XVII

EXCLUSIONS APPLYING TO SEVERAL SPECIFIED KINDS OF ACTIVITY

[^{F1}Interpretation

72F.—(1) For the purposes of this article and of article 72E—

“Business Angel-led Enterprise Capital Fund” means a collective investment scheme which—

- (a) is established for the purpose of enabling participants to participate in or receive profits or income arising from the acquisition, holding, management or disposal of investments falling within one or more of—
 - (i) article 76, being shares in an unlisted company;
 - (ii) article 77, being instruments creating or acknowledging indebtedness in respect of an unlisted company;
 - (iia) [^{F2}article 77A, being rights under an alternative finance investment bond issued by an unlisted company;] and
 - (iii) article 79, being warrants or other instruments entitling the holder to subscribe for shares in an unlisted company;
- (b) has only the following as its participants—
 - (i) the Secretary of State;
 - (ii) a body corporate of a type specified in article 72E(7); and
 - (iii) one or more persons each of whom at the time they became a participant was—
 - (aa) a sophisticated investor;
 - (bb) a high net worth individual;
 - (cc) a high net worth company;
 - (dd) a high net worth unincorporated association;
 - (ee) a trustee of a high value trust; or
 - (ff) a self-certified sophisticated investor;
- (c) is prevented, by the arrangements by which it is established, from—
 - (i) acquiring investments, other than those falling within paragraphs (i) to (iii) of subparagraph (a); and

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- (ii) acquiring investments falling within paragraphs (i) to (iii) of sub-paragraph (a) in an unlisted company, where the aggregated cost of those investments exceeds £2 million, unless that acquisition is necessary to prevent or reduce the dilution of an existing share-holding in that unlisted company;

“high net worth company” means a body corporate which—

- (a) falls within article 49(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (high net worth companies, unincorporated associations etc.); and
- (b) has executed a document [^{F3}(in a manner which binds the company)] in the following terms:

“This company is a high net worth company and falls within article 49(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. We understand that any Business Angel-led Enterprise Capital Fund (within the meaning of article 72F of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001), in which this company participates, or any person who operates that Business Angel-led Enterprise Capital Fund, in which this company participates, will not be authorised under the Financial Services and Markets Act 2000 (and so will not have to satisfy the threshold conditions set out in Part I of Schedule 6 to that Act and will not be subject to Financial Services Authority rules such as those on holding client money). We understand that this means that redress through the Financial Services Authority, the Financial Ombudsman Scheme or the Financial Services Compensation Scheme will not be available. We also understand the risks associated in investing in a Business Angel-led Enterprise Capital Fund and are aware that it is open to us to seek advice from someone who is authorised under the Financial Services and Markets Act 2000 and who specialises in advising on this kind of investment.”

“high net worth individual” means an individual who—

- (a) is a “certified high net worth individual” within the meaning of article 48(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (certified high net worth individuals); and
- (b) has signed a statement in the following terms:

“I declare that I am a certified high net worth individual within the meaning of article 48(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and that I understand that any Business Angel-led Enterprise Capital Fund (within the meaning of article 72F of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001), in which I participate, or any person who operates that Business Angel-led Enterprise Capital Fund, in which I participate, will not be authorised under the Financial Services and Markets Act 2000 (and so will not have to satisfy the threshold conditions set out in Part I of Schedule 6 to that Act and will not be subject to Financial Services Authority rules such as those on holding client money). I understand that this means that redress through the Financial Services Authority, the Financial Ombudsman Scheme or the Financial Services Compensation Scheme will not be available. I also understand the risks associated in investing in a Business Angel-led Enterprise Capital Fund and am aware that it is open to me to seek advice from someone who is authorised under the Financial Services and Markets Act 2000 and who specialises in advising on this kind of investment.”;

“high net worth unincorporated association” means an unincorporated association—

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- (a) which falls within article 49(2)(b) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001; and
- (b) on behalf of which an officer of that association or a member of its governing body has signed a statement in the following terms:

“This unincorporated association is a high net worth unincorporated association and falls within article 49(2)(b) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. I understand that any Business Angel-led Enterprise Capital Fund (within the meaning of article 72F of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001), in which this association participates, or any person who operates that Business Angel-led Enterprise Capital Fund, in which this association participates, will not be authorised under the Financial Services and Markets Act 2000 (and so will not have to satisfy the threshold conditions set out in Part I of Schedule 6 to that Act and will not be subject to Financial Services Authority rules such as those on holding client money). I understand that this means that redress through the Financial Services Authority, the Financial Ombudsman Scheme or the Financial Services Compensation Scheme will not be available. I also understand the risks associated in investing in a Business Angel-led Enterprise Capital Fund and am aware that it is open to the association to seek advice from someone who is authorised under the Financial Services and Markets Act 2000 and who specialises in advising on this kind of investment.”;

“high value trust” means a trust—

- (a) where the aggregate value of the cash and investments which form a part of the trust’s assets (before deducting the amount of its liabilities) is £10 million or more;
- (b) on behalf of which a trustee has signed a statement in the following terms:

“This trust is a high value trust. I understand that any Business Angel-led Enterprise Capital Fund (within the meaning of article 72F of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001), in which this trust participates, or any person who operates that Business Angel-led Enterprise Capital Fund, in which this trust participates, will not be authorised under the Financial Services and Markets Act 2000 (and so will not have to satisfy the threshold conditions set out in Part I of Schedule 6 to that Act and will not be subject to Financial Services Authority rules such as those on holding client money). I understand that this means that redress through the Financial Services Authority, the Financial Ombudsman Scheme or the Financial Services Compensation Scheme will not be available. I also understand the risks associated in investing in a Business Angel-led Enterprise Capital Fund and am aware that it is open to the trust to seek advice from someone who is authorised under the Financial Services and Markets Act 2000 and who specialises in advising on this kind of investment.”;

“self-certified sophisticated investor” means an individual who—

- (a) is a “self-certified sophisticated investor” within the meaning of article 50A of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001;
- (b) has signed a statement in the following terms:

“I declare that I am a self-certified sophisticated investor within the meaning of article 50A of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and that I understand that any Business Angel-led Enterprise Capital Fund (within the meaning of article 72F of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001), in which I participate, or any person who

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operates that Business Angel-led Enterprise Capital Fund, in which I participate, will not be authorised under the Financial Services and Markets Act 2000 (and so will not have to satisfy the threshold conditions set out in Part I of Schedule 6 to that Act and will not be subject to Financial Services Authority rules such as those on holding client money). I understand that this means that redress through the Financial Services Authority, the Financial Ombudsman Scheme or the Financial Services Compensation Scheme will not be available. I also understand the risks associated in investing in a Business Angel-led Enterprise Capital Fund and am aware that it is open to me to seek advice from someone who is authorised under the Financial Services and Markets Act 2000 and who specialises in advising on this kind of investment.”;

“sophisticated investor” means an individual who—

- (a) is a “certified sophisticated investor” within the meaning of article 50(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001; and
- (b) has signed a statement in the following terms:

“I declare that I am a certified sophisticated investor within the meaning of article 50(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and that I understand that any Business Angel-led Enterprise Capital Fund (within the meaning of article 72F of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001), in which I participate, or any person who operates that Business Angel-led Enterprise Capital Fund, in which I participate, will not be authorised under the Financial Services and Markets Act 2000 (and so will not have to satisfy the threshold conditions set out in Part I of Schedule 6 to that Act and will not be subject to Financial Services Authority rules such as those on holding client money). I understand that this means that redress through the Financial Services Authority, the Financial Ombudsman Scheme or the Financial Services Compensation Scheme will not be available. I also understand the risks associated in investing in a Business Angel-led Enterprise Capital Fund and am aware that it is open to me to seek advice from someone who is authorised under the Financial Services and Markets Act 2000 and who specialises in advising on this kind of investment.”;

“unlisted company” has the meaning given by article 3 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001.

(2) References in this Article and in Article 72E to a participant in a Business Angel-led Enterprise Capital Fund, doing things on behalf of such a participant and property belonging to such a participant are, respectively, references to that participant in that capacity, to doing things on behalf of that participant in that capacity or to the property of that participant held in that capacity.]

Textual Amendments

- F1** Arts. 72E, 72F inserted (1.10.2005) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2005 \(S.I. 2005/1518\)](#), arts. 1, **2(3)**
- F2** Words in art. 72F(1) inserted (24.2.2010) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2010 \(S.I. 2010/86\)](#), art. 1(2), **Sch. para. 5(e)**
- F3** Words in art. 72F(1) substituted (6.11.2006 for specified purposes, 6.4.2007 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2006 \(S.I. 2006/2383\)](#), arts. 1(2), **22**

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