

---

STATUTORY INSTRUMENTS

---

**2003 No. 1476**

**The Financial Services and Markets Act 2000  
(Regulated Activities) (Amendment) (No. 2) Order 2003**

**PART 5**

**MISCELLANEOUS**

**Controllers of insurance intermediaries**

**21.**—(1) In any case where a person (“the acquirer”)—

- (a) proposes to take, in relation to a UK insurance intermediary (“A”), such a step as is mentioned in section 178(1) of the Act (obligation to notify the Authority of control over authorised persons), or
- (b) acquires control, an additional kind of control or an increase in a relevant kind of control over a UK insurance intermediary without himself taking any such step,

the acquirer is exempt from any obligation imposed by section 178 of the Act to notify the Authority of his proposal or acquisition unless paragraph (2) applies.

(2) This paragraph applies—

- (a) where the acquirer falls within paragraph (1)(a), if the acquirer does not currently, but would if he took the proposed step, fall within any of the cases in paragraph (3); or
- (b) where the acquirer falls within paragraph (1)(b), if the acquirer did not immediately before acquiring control, but as a result of that acquisition does, fall within any of those cases.

(3) The cases are where the acquirer—

- (a) holds 20% or more of the shares in A;
- (b) is able to exercise significant influence over the management of A by virtue of his shareholding in A;
- (c) holds 20% or more of the shares in a parent undertaking (“P”) of A;
- (d) is able to exercise significant influence over the management of P by virtue of his shareholding in P;
- (e) is entitled to exercise, or control the exercise of, 20% or more of the voting power in A;
- (f) is able to exercise significant influence over the management of A by virtue of his voting power in A;
- (g) is entitled to exercise, or control the exercise of, 20% or more of the voting power in P; or
- (h) is able to exercise a significant influence over the management of P by virtue of his voting power in P.

(4) In paragraph (3), “the acquirer” means—

- (a) the acquirer;
- (b) any of the acquirer’s associates; or

(c) the acquirer and any of his associates.

(5) In any case where a controller of A—

- (a) proposes to take, in relation to A, such a step as is mentioned in section 190(1) of the Act (obligation to notify the Authority of a reduction in control over an authorised person), or
- (b) ceases to have, or reduces a relevant kind of, control over A without himself taking any such step,

the controller is exempt from any obligation imposed by subsection (1) or (2) of section 190 of the Act to notify the Authority unless paragraph (6) applies.

(6) This paragraph applies if—

- (a) the percentage of shares held by the controller in A decreases (or would decrease) from 20% or more to less than 20%;
- (b) the percentage of shares held by the controller in a parent undertaking (“P”) of A decreases (or would decrease) from 20% or more to less than 20%;
- (c) the percentage of voting power which the controller is entitled to exercise, or control the exercise of, in A decreases (or would decrease) from 20% or more to less than 20%; or
- (d) the percentage of voting power which the controller is entitled to exercise, or control the exercise of, in P decreases (or would decrease) from 20% or more to less than 20%.

(7) In paragraph (6), “the controller” means—

- (a) the controller;
- (b) any of the controller’s associates; or
- (c) the controller and any of his associates.

(8) References in this article to acquiring control, or an additional kind of control, increasing control and reducing control are to be read with Part XII of the Act.

(9) In this article—

“associate”, “shares” and “voting power” have the same meaning as in section 422 of the Act; “UK insurance intermediary” means any UK authorised person (within the meaning of section 178(4) of the Act) who has Part IV permission to carry on any regulated activity of the kind specified by article 21, 25(1) or (2), 39A or 53 of the principal Order, or, so far as relevant to any of those articles, article 64 of that Order, which is carried on in relation to a contract of insurance, but who does not have Part IV permission to carry on any other regulated activity.