

SCHEDULE 1

PART I

Controlled Activities

Accepting deposits

1. Accepting deposits is a controlled activity if—

- (a) money received by way of deposit is lent to others; or
- (b) any other activity of the person accepting the deposit is financed wholly, or to a material extent, out of the capital of or interest on money received by way of deposit,

and the person accepting the deposit holds himself out as accepting deposits on a day to day basis.

Effecting or carrying out contracts of insurance

2.—(1) Effecting a contract of insurance as principal is a controlled activity.

(2) Carrying out a contract of insurance as principal is a controlled activity.

(3) There is excluded from sub-paragraph (1) or (2) the effecting or carrying out of a contract of insurance of the kind described in article 12 of the Regulated Activities Order by a person who does not otherwise carry on an activity falling within those sub-paragraphs.

Dealing in securities and contractually based investments

3.—(1) Buying, selling, subscribing for or underwriting securities or contractually based investments (other than investments of the kind specified by paragraph 25, or paragraph 27 so far as relevant to that paragraph) as principal or agent is a controlled activity.

(2) A person does not carry on the activity in sub-paragraph (1) by accepting an instrument creating or acknowledging indebtedness in respect of any loan, credit, guarantee or other similar financial accommodation or assurance which he has made, granted or provided.

(3) The reference in sub-paragraph (2) to a person accepting an instrument includes a reference to a person becoming a party to an instrument otherwise than as a debtor or a surety.

Arranging deals in investments

4.—(1) Making arrangements for another person (whether as principal or agent) to buy, sell, subscribe for or underwrite a particular investment which is—

- (a) a security;
- (b) a contractually based investment; or
- (c) an investment of the kind specified by paragraph 24, or paragraph 27 so far as relevant to that paragraph,

is a controlled activity.

(2) Making arrangements with a view to a person who participates in the arrangements buying, selling, subscribing for or underwriting investments falling within sub-paragraph (1)(a), (b) or (c) (whether as principal or agent) is a controlled activity.

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(3) A person does not carry on an activity falling within paragraph (2) merely by providing means by which one party to a transaction (or potential transaction) is able to communicate with other such parties.

[^{F1}Operating a multilateral trading facility

4A. Operating a multilateral trading facility on which MiFID instruments are traded is a controlled activity.]

Textual Amendments

F1 Sch. 1 para. 4A inserted (1.4.2007 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment No. 3) Order 2006 (S.I. 2006/3384), arts. 1(2), **40(2)(a)**

Managing investments

5. Managing assets belonging to another person, in circumstances involving the exercise of discretion, is a controlled activity if—

- (a) the assets consist of or include any investment which is a security or a contractually based investment; or
- (b) the arrangements for their management are such that the assets may consist of or include such investments, and either the assets have at any time since 29th April 1988 done so, or the arrangements have at any time (whether before or after that date) been held out as arrangements under which the assets would do so.

Safeguarding and administering investments

6.—(1) The activity consisting of both—

- (a) the safeguarding of assets belonging to another; and
- (b) the administration of those assets,

or arranging for one or more other persons to carry on that activity, is a controlled activity if either the condition in paragraph (a) or (b) of sub-paragraph (2) is met.

(2) The condition is that—

- (a) the assets consist of or include any investment which is a security or a contractually based investment; or
- (b) the arrangements for their safeguarding and administration are such that the assets may consist of or include investments of the kind mentioned in sub-paragraph (a) and either the assets have at any time since 1st June 1997 done so, or the arrangements have at any time (whether before or after that date) been held out as ones under which such investments would be safeguarded and administered.

(3) For the purposes of this article—

- (a) it is immaterial that title to the assets safeguarded and administered is held in uncertificated form;
- (b) it is immaterial that the assets safeguarded and administered may be transferred to another person, subject to a commitment by the person safeguarding and administering them, or arranging for their safeguarding and administration, that they will be replaced by equivalent assets at some future date or when so requested by the person to whom they belong.

(4) For the purposes of this article, the following activities do not constitute the administration of assets—

- (a) providing information as to the number of units or the value of any assets safeguarded;
- (b) converting currency;
- (c) receiving documents relating to an investment solely for the purpose of onward transmission to, from or at the direction of the person to whom the investment belongs.

Advising on investments

7. Advising a person is a controlled activity if the advice is—

- (a) given to the person in his capacity as an investor or potential investor, or in his capacity as agent for an investor or a potential investor; and
- (b) advice on the merits of his doing any of the following (whether as principal or agent)—
 - (i) buying, selling, subscribing for or underwriting a particular investment which is a security or a contractually based investment; or
 - (ii) exercising any right conferred by such an investment to buy, sell, subscribe for or underwrite such an investment.

Advising on syndicate participation at Lloyd's

8. Advising a person to become, or continue or cease to be, a member of a particular Lloyd's syndicate is a controlled activity.

Providing funeral plan contracts

9.—(1) Entering as provider into a qualifying funeral plan contract is a controlled activity.

(2) A “qualifying funeral plan contract” is a contract under which—

- (a) a person (“the customer”) makes one or more payments to another person (“the provider”);
- (b) the provider undertakes to provide, or to secure that another person provides, a funeral in the United Kingdom for the customer (or some other person who is living at the date when the contract is entered into) on his death; and
- (c) the provider is a person who carries on the regulated activity specified in article 59 of the Regulated Activities Order.

Providing qualifying credit

10.—(1) Providing qualifying credit is a controlled activity.

(2) “Qualifying credit” is a credit provided pursuant to an agreement under which—

- (a) the lender is a person who carries on the regulated activity specified in article 61 of the Regulated Activities Order; and
 - (b) the obligation of the borrower to repay is secured (in whole or in part) on land.
- (3) “Credit” includes a cash loan and any other form of financial accommodation.

Arranging qualifying credit etc.

10A. Making arrangements—

- (a) for another person to enter as borrower into an agreement for the provision of qualifying credit; or

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(b) for a borrower under a regulated mortgage contract, within the meaning of article 61(3) of the Regulated Activities Order, entered into after the coming into force of that article, to vary the terms of that contract in such a way as to vary his obligations under that contract, is a controlled activity.

Advising on qualifying credit etc.

10B.—(1) Advising a person is a controlled activity if the advice is—

- (a) given to the person in his capacity as a borrower or potential borrower; and
- (b) advice on the merits of his doing any of the following—
 - (i) entering into an agreement for the provision of qualifying credit, or
 - (ii) varying the terms of a regulated mortgage contract entered into by him after the coming into force of article 61 of the Regulated Activities Order in such a way as to vary his obligations under that contract.

(2) In this paragraph, “borrower” and “regulated mortgage contract” have the meaning given by article 61(3) of the Regulated Activities Order.

[F2]Providing a regulated home reversion plan

10C. Entering into a regulated home reversion plan as plan provider is a controlled activity.

Textual Amendments

F2 Sch. 1 paras. 10C-10H inserted (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), **35(5)(a)**

Arranging a regulated home reversion plan

10D. Making arrangements—

- (a) for another person to enter as reversion seller or plan provider into a regulated home reversion plan; or
- (b) for a reversion seller or a plan provider under a regulated home reversion plan, entered into on or after 6th April 2007 by him, to vary the terms of that plan in such a way as to vary his obligations under that plan,

is a controlled activity.

Textual Amendments

F2 Sch. 1 paras. 10C-10H inserted (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), **35(5)(a)**

Advising on a regulated home reversion plan

10E. Advising a person is a controlled activity if the advice is—

- (a) given to the person in his capacity as reversion seller, potential reversion seller, plan provider or potential plan provider; and

- (b) advice on the merits of his doing either of the following—
 - (i) entering into a regulated home reversion plan, or
 - (ii) varying the terms of a regulated home reversion plan, entered into on or after 6th April 2007 by him, in such a way as to vary his obligations under that plan.

Textual Amendments

F2 Sch. 1 paras. 10C-10H inserted (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), **35(5)(a)**

Providing a regulated home purchase plan

10F. Entering into a regulated home purchase plan as home purchase provider is a controlled activity.

Textual Amendments

F2 Sch. 1 paras. 10C-10H inserted (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), **35(5)(a)**

Arranging a regulated home purchase plan

10G. Making arrangements—

- (a) for another person to enter as home purchaser into a regulated home purchase plan; or
- (b) for a home purchaser under a regulated home purchase plan, entered into on or after 6th April 2007 by him, to vary the terms of that plan in such a way as to vary his obligations under that plan,

is a controlled activity.

Textual Amendments

F2 Sch. 1 paras. 10C-10H inserted (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), **35(5)(a)**

Advising on a regulated home purchase plan

10H. Advising a person is a controlled activity if the advice is—

- (a) given to the person in his capacity as home purchaser or potential home purchaser; and
- (b) advice on the merits of his doing either of the following—
 - (i) entering into a regulated home purchase plan, or
 - (ii) varying the terms of a regulated home purchase plan, entered into on or after 6th April 2007 by him, in such a way as to vary his obligations under that plan.]

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Textual Amendments

- F2** Sch. 1 paras. 10C-10H inserted (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), **35(5)(a)**

Agreeing to carry on specified kinds of activity

11. Agreeing to carry on any controlled activity falling within any of paragraphs 3 to 10B above [^{F3}(other than paragraph 4A)] is a controlled activity.

Textual Amendments

- F3** Words in Sch. 1 para. 11 inserted (1.4.2007 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment No. 3) Order 2006 (S.I. 2006/3384), arts. 1(2), **40(2)(b)**

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