
EXPLANATORY NOTE

(This note is not part of the Order)

This Order specifies relevant activities, relevant investments and relevant benchmarks for the purposes of Part 7 of the Financial Services Act 2012 (“the Act”). Part 7 of the Act creates criminal offences which relate to the making of false or misleading statements, or the creation of a false or misleading impression, in connection with a relevant agreement, relevant investment or relevant benchmark. Sections 89 and 90 in part replicate the effect of section 397 of FSMA, which is repealed by section 95 of the Act.

Article 2 specifies activities which are relevant for the purposes of the definition of “relevant agreement” which is used in section 89 of the Act (misleading statements).

Article 3 specifies the benchmarks which are “relevant benchmarks” for the purposes of section 91 of the Act (misleading statements etc in relation to benchmarks). The only benchmarks which are specified for this purpose are the benchmarks known as the London Interbank Offered Rate or LBOR.

Article 4 specifies investments which are “relevant investments”. This concept is relevant for the purposes of sections 89 (misleading statements) and 90 (misleading impressions) of the Act.

A full impact assessment of the effect that this Order will have on the costs of business and the voluntary sector is available from, Her Majesty’s Treasury, 1 Horse Guards Road, London SW1A 2HQ or on www.hm-treasury.gov.uk and is published alongside the Order on www.legislation.gov.uk.