

**EXPLANATORY MEMORANDUM TO
THE ALTERNATIVE INVESTMENT FUND MANAGERS (AMENDMENT) ORDER
2014**

2014 No. 1313

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1.1 This explanatory memorandum has been prepared by HM Treasury and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 This Order amends the dates on which the Alternative Investment Fund Managers Order 2014 (S.I. 2014/1292) (“the first Order”) comes into force, and the date by which a person must notify the Financial Conduct Authority of an intention to carry on insurance mediation activity if the person wishes article 7(5) or (6) of that Order to apply to them so that they are treated as having permission under Part 4A of the Financial Services and Markets Act 2000 (c. 8) to carry on insurance mediation activity, or as having applied for such permission.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 This Order is laid before Parliament less than 21 days before it comes into force, in breach of the ‘21 day rule’ referred to at paragraph 4.13 of Statutory Instrument Practice.

3.2 The first Order was made on 8th May 2014, with a coming into force date of 1st June 2014. At the time that it was made there was sufficient time for it to be laid so as to comply with the 21 day rule. However before the first Order was laid a concern was raised that laying it in the pre-election period before the elections on 22nd May 2014 would be inappropriate. The laying of the first Order was therefore delayed until after the elections, by which time there were less than 21 days before it was due to come into force.

3.3 It was decided that it would be preferable to amend the date on which the first Order would come into force so that, as amended, it would comply with the 21 day rule, rather than for the first Order to breach the 21 day rule. This Order makes that amendment, but to do so this Order must necessarily come into force before the original coming into force date for the first Order of 1st June 2014.

3.4 This Order therefore breaches the 21 day rule, however it does so in order to ensure that the substantive provisions in the first Order comply with that rule.

4. Legislative Context

4.1 The Alternative Investment Fund Managers Order 2014 was made with coming into force dates of 1st July 2014 for article 6 and 1st June 2014 for the

remaining provisions. It also contained provisions in article 7 linked to the coming into force of article 6 on 1st July 2014. This Order amends those dates.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The wider policy background can be found in the explanatory memorandum to the first Order.

7.2 This instrument does not impact on policy, since it only changes the dates on which the provisions of the first Order come into force.

- *Consolidation*

7.3 The first Order amends the Financial Services and Markets Act 2000 and related provisions. There are no current plans to consolidate the Act.

8. Consultation outcome

8.1 HM Treasury has consulted informally with industry regarding the new coming into force dates and no concerns have been raised.

9. Guidance

9.1 The Treasury is not planning to issue any further guidance on this Order.

10. Impact

10.1 No impact on business, charities or voluntary bodies is foreseen.

10.2 No impact on the public sector is foreseen.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation applies to small business

11.2 No special action is needed to assist small business because no regulatory burden is imposed by this instrument.

12. Monitoring & review

12.1 The Government has committed to review the Alternative Investment Fund Managers Regulations 2013 (which are amended by the first Order), and to publish a report setting out the conclusions of the review by 22 July 2018. The provision made by the first Order will be included in that review.

13. Contact

Queries regarding this statutory instrument should be directed to: Jonathan Gee at HM Treasury Tel: 0207 270 6275 email: jonathan.gee@hmtreasury.gsi.gov.uk