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STATUTORY INSTRUMENTS

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**2014 No. 2080**

**The Financial Services and Markets Act 2000  
(Excluded Activities and Prohibitions) Order 2014**

**PART 3**

**PROHIBITIONS AND EXCEPTIONS**

**Financial institution exposures: conduit lending**

**17.**—(1) A ring-fenced body may incur a financial institution exposure to a relevant financial institution (“A”) where—

- (a) the only business of A (apart from incidental activities) is to acquire, hold and manage assets from or for an undertaking which is not a relevant financial institution (“B”); and
- (b) all or part of A's assets are being used to form the whole or part of the security for a loan or any other finance provided to A by the ring-fenced body or by a conduit vehicle of the ring-fenced body for the benefit of B.

(2) A ring-fenced body (“C”) may incur a financial institution exposure to a relevant financial institution (“D”) where—

- (a) D was established by, or is operated for the benefit of, C; and
- (b) the only business of D (apart from incidental activities) is—
  - (i) to acquire, hold and manage assets from or for C, or
  - (ii) to make loans or provide other finance at the direction or on the advice of C using resources provided by C or raised in the financial markets to entities which are not relevant financial institutions, or to relevant financial institutions which satisfy the conditions in paragraph (1)(a) and (b).

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**Commencement Information**

**II** Art. 17 in force at 1.1.2019, see art. 1(3)

**Changes to legislation:**

There are currently no known outstanding effects for the The Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014, Section 17.