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## STATUTORY INSTRUMENTS

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# 2017 No. 1212

## The Risk Transformation Regulations 2017

### PART 2

#### Authorisation and supervision of insurance risk transformation

##### Amendment of FSMA

4.—(1) FSMA is amended as follows.

(2) In Schedule 6 (threshold conditions) <sup>M1</sup>—

(a) in Part 1D (Part 4A permission: conditions for which the PRA is responsible in relation to insurers etc), in paragraph 4A (introduction), after sub-paragraph (4), insert—

“(5) If the person concerned (“C”) carries on, or is seeking to carry on, regulated activities which consist of or include a PRA-regulated activity relating to an assumption of risk falling within article 13A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, the threshold conditions which are relevant to the discharge by the PRA of its functions in relation to C are the conditions set out in paragraphs 4B to 4F, subject to sub-paragraph (6).

(6) Paragraphs 4B to 4F have effect in relation to persons of the kind specified by sub-paragraph (5) as if—

- (a) the persons are special purpose vehicles within the meaning given by Article 13(26) of the Solvency 2 Directive <sup>M2</sup>;
- (b) the persons are not reinsurance undertakings within the meaning given by Article 13(4) of the Solvency 2 Directive;
- (c) references to contracts of insurance are references to contracts for the assumption of risk; and
- (d) references to C's policyholders are references to undertakings from whom C assumes a risk.”;

(b) in Part 1E (Part 4A permission: conditions for which the PRA is responsible in relation to other PRA-authorized persons), in paragraph 5A (introduction)—

- (i) at the end of sub-paragraph (b), omit “or”;
- (ii) at the end of sub-paragraph (c), insert “ or ”; and
- (iii) after sub-paragraph (c), insert—

“(d) an assumption of risk falling within article 13A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001,”.

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##### Marginal Citations

**M1** Parts 1D and 1E of Schedule 6 were inserted by [S.I. 2013/555](#).

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**Changes to legislation:** *The Risk Transformation Regulations 2017, Section 4 is up to date with all changes known to be in force on or before 26 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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**M2** “Solvency 2 Directive” is defined by section 425 of, and paragraph 3 of Schedule 3 to, FSMA. It refers to Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

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**Changes and effects yet to be applied to :**

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)