
S T A T U T O R Y I N S T R U M E N T S

2001 No.

FINANCIAL SERVICES AND MARKETS

The Financial Services and Markets Act 2000
(Control of Business Transfers) (Requirements on Applicants) Regulations 2001

<i>Made</i>	<i>2001</i>
<i>Laid before Parliament</i>	<i>2001</i>
<i>Coming into force</i>	<i>2001</i>

The Treasury, in exercise of the powers conferred on them by sections 108, 417(1)(a) and 428(3) of the Financial Services and Markets Act 2000(b), hereby make the following Regulations:

Citation and commencement

1.-(1) These Regulations may be cited as the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001.

(2) These Regulations come into force on the day on which section 19 of the Act comes into force.

Interpretation

2. In these Regulations -

“the Act” means the Financial Services and Markets Act 2000;

-
- (a) See the definition of “prescribed” in section 417(1).
(b) 2000 c. 8.

“the parties” means the authorised person concerned and the transferee (within the meaning of section 105(2) or, as the case may be, section 106(2) of the Act);

“the report” means the scheme report mentioned in section 109(1) of the Act;

“sent” means sent pre-paid by a postal service which seeks to deliver documents by post within the United Kingdom no later than the next working day in all or the majority of cases, and to deliver by post outside the United Kingdom within such a period as is reasonable in all the circumstances;

“State of the commitment” has the meaning given by paragraph 6(1) of Schedule 12 to the Act;

“a summary of the report” means a summary of the report sufficient to indicate the opinion of the person making the report of the likely effects of the business transfer scheme on the policyholders of the parties.

Transfer of an insurance business

3.-(1) An applicant under section 107 of the Act for an order sanctioning an insurance business transfer scheme (“the scheme”) must comply with the following requirements.

(2) A notice stating that the application has been made must be published -

(a) in the London, Edinburgh and Belfast Gazettes;

(b) in two national newspapers in the United Kingdom; and

(c) where, as regards any policy included in the proposed transfer, an EEA State other than the United Kingdom is the State of the commitment, in two national newspapers in that EEA State.

(3) A notice given under paragraph (2) must -

(a) be approved by the Authority prior to its publication;

(b) contain the address from which the statement mentioned in paragraph (4) may be obtained; and

(c) contain the address of the offices at which, and the period for which, copies of the application and the report will be available as required by paragraph (5).

(4) A statement setting out the terms of the scheme and containing a summary of the report must be sent free of charge -

(a) to every policyholder of the parties and (if a party is incorporated) to every member of the company; and

(b) to any other person who requests it.

(5) Copies of the application and the report must be open to inspection -

(a) at offices in the United Kingdom of the parties; and

(b) where, as regards any policy included in the proposed transfer, an EEA State other than the United Kingdom is the State of the commitment, at such place in that EEA State as the court may direct;

for a period of not less than twenty-one days beginning with the date of the first publication of a notice in accordance with paragraph (2).

(6) Copies of the application, the report and the statement mentioned in paragraph (4) must be given to the Authority.

(7) In the case of any such scheme as is mentioned in section 105(5) of the Act, copies of the documents listed in paragraph 6(1) of Schedule 15B to the Companies Act 1985^(a) or in paragraph 6(1) of Schedule 15B to the Companies (Northern Ireland) Order 1986^(b) (application of provisions about compromises and arrangements to mergers and divisions of public companies) must be given to the Authority by the beginning of the period referred to in paragraph 3(e) of that Schedule.

4.-(1) Subject to paragraph (2), the court may not determine an application under section 107 for an

^(a) 1985 c. 6. Schedule 15B was inserted by S.I. 1987/1991 and amended by the Companies Act 1989 (c. 40), Schedule 10, para. 22.

^(b) S.I. 1986/1032 (N.I. 6). Schedule 15B was inserted by S.R. 1987/442, reg. 3(c) and renumbered by the Companies (No. 2) (Northern Ireland) Order 1990 (N.I. 10), article 49(2).

order sanctioning an insurance business transfer scheme -

(a) where the applicant has failed to comply with the requirements in regulation 3(2), (3), (5) or (7); and

(b) until a period of not less than twenty-one days has elapsed since the Authority was given the documents mentioned in regulation 3(6).

(2) The requirements in regulations 3(2)(b) and (c) and 3(4)(a) may be waived by the court in any circumstances where the court considers it appropriate to do so.

Transfer of a banking business

5.-(1) An applicant under section 107 of the Act for an order sanctioning a banking business transfer scheme (“the scheme”) must comply with the following requirements.

(2) A notice stating that the application has been made must be published -

(a) in the London, Edinburgh and Belfast Gazettes; and

(b) in two national newspapers in the United Kingdom.

(3) A notice given under paragraph (2) must -

(a) be approved by the Authority prior to its publication;

(b) contain the address from which the statement mentioned in paragraph (4) may be obtained; and

(c) contain the address of the offices at which, and the period for which, a copy of the application will be available as required by paragraph (5).

(4) A statement setting out the terms of the scheme must be sent free of charge to any person who requests it.

(5) A copy of the application must be open to inspection at offices in the United Kingdom of the parties for a period of not less than twenty-one days beginning with the date of the first publication of a notice in accordance with paragraph (2).

(6) Copies of the application and the statement mentioned in paragraph (4) must be given to the Authority.

6.-(1) Subject to paragraph (2), the court may not determine an application under section 107 for an order sanctioning a banking business transfer scheme -

(a) where the applicant has failed to comply with the requirements in regulation 5(2), (3) or (5); and

(b) until a period of not less than twenty-one days has elapsed since the Authority was given the document mentioned in regulation 5(6).

(2) The requirement in regulation 5(2)(b) may be waived by the court in any circumstances where the court considers it appropriate to do so.

[date]

Two of the Lords Commissioners of
Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations impose certain procedural requirements on applicants for a court order sanctioning an insurance, or banking, business transfer scheme under Part VII of the Financial Services and Markets Act 2000.

Regulation 3 requires a person seeking the court's approval of an insurance business transfer scheme to publicise in various newspapers the fact that an application has been made; to send a statement of the terms of the scheme with a summary of an expert's report assessing the impact of the scheme to certain people; to give the Financial Services Authority various documents and to make the application and the report open to inspection at specified locations.

Under regulation 4, the court may not sanction an insurance business transfer where the applicant has not complied with certain requirements in regulation 3 or until the FSA has been in receipt of the application and report for at least 21 days. However, the court may waive some of the requirements where it considers it appropriate in the circumstances.

Regulations 5 and 6 give the court similar powers, in relation to banking business transfer schemes, to those it possesses under regulations 3 and 4 in relation to insurance business transfer schemes.