

GENERAL PROVISIONS AND GLOSSARY INSTRUMENT 2001

- A. The Financial Services Authority makes the provisions in Annex A ("GEN"), other than GEN 2.1.8R, and Annex B (the "Glossary") to this instrument in the exercise of the powers listed in Schedule 4 to GEN (Powers exercised).
- B. This instrument shall come into force immediately, except for GEN 2.1.8R which shall come into force as and when made and brought into force by Financial Ombudsman Service Ltd.
- C. The provisions relevant to making rules and listed in Schedule 4 to GEN (Powers exercised) are specified for the purpose of section 153(2) of the Financial Services and Markets Act 2000 (Rule-making instruments).
- D. This instrument may be cited as the General Provisions and Glossary Instrument 2001.
- E. Annex A to this instrument may be cited as the General provisions (or GEN).
- F. Annex B to this instrument may be cited as the Glossary.

By order of the Board
21 June 2001

ANNEX

PART 1



General provisions



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Derivations

Destinations

[* This chapter of GEN will be added later]

Handbook Modules

Transitional provisions

1	G	Table	Transitional Provisions applying across the Handbook
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(1) The purpose of these transitional provisions is to assist a smooth transition at *commencement*. They comprise various technical provisions that will apply across the whole *Handbook* and achieve results that most people would probably expect to apply in any event.

(2) These transitional provisions consist of general transitional provisions, which apply at a high level of generality, and more specific transitional provisions in relation to record keeping and *notification rules*.

(3) The more specific transitional provisions relating to record keeping and *notification rules* override the general transitional provisions. Both the general and the more specific transitional provisions do not apply if the context requires otherwise and are subject to any more specific transitional provision elsewhere in the *Handbook* relating to the matter. For example, *COB* contains transitional provisions relating to various matters which are limited in duration and which override these transitional provisions in relation to those matters.

(4) Definitions for these transitional provisions, additional to those in the *Glossary*, are provided at paragraph 17 of the table.

2		Table	
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(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	Every <i>rule</i> in the <i>Handbook</i> , unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	R	<p><u>Acts under pre-commencement provisions</u></p> <p>Anything done, or having effect as done, under or for the purposes of any pre-commencement provision has effect as if done under or for the purposes of any substantially similar provision in the <i>Handbook</i>.</p>	From commencement of the relevant <i>rule</i> in the <i>Handbook</i>	See schedule of Transitional provisions of the relevant <i>rule</i>
2	Paragraph 1	G	For example, a <i>firm</i> may rely on action to establish the best price, taken shortly before <i>commencement</i> for the purposes of an applicable SRO best execution rule, for the purposes of compliance with COB 7.5.5R(1) (Providing best execution), even if the transaction is <i>executed after commencement</i> .	As paragraph 1	As paragraph 1
3	As paragraph 1	R	<p><u>Achieving compliance before commencement</u></p> <p>Anything done before <i>commencement</i> for the purposes of a provision in the <i>Handbook</i> has effect as if done under that provision.</p>	As paragraph 1	As paragraph 1
4	Paragraph 3	G	For example, a <i>firm</i> may allocate responsibility for apportionment and oversight for the purposes of SYSC 2.1.3R (Apportionment of responsibilities) before <i>commencement</i> , so as to be in compliance at <i>commencement</i> .	As paragraph 1	As paragraph 1

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
5	As paragraph 1	R	<p><u>Series of events</u></p> <p>If the application of any provision in the <i>Handbook</i> is dependent on the occurrence of a series of events, some of which occur before, and some of which occur after, <i>commencement</i>, the provision applies with respect to the events that occur after <i>commencement</i>.</p>	As paragraph 1	As paragraph 1
6	Paragraph 5	G	<p>For example, a <i>firm</i> which executes an aggregated order shortly before <i>commencement</i> must comply with COB 7.7.9R (Requirement for fair allocation) if the allocation occurs after <i>commencement</i>. Transitional provisions in COB may permit the <i>firm</i> to comply with the rules of its <i>previous regulator</i> if it wishes, as an alternative to COB 7.7.9R.</p>	As paragraph 1	As paragraph 1
7	As paragraph 1	R	<p><u>Deemed references to pre-commencement provisions</u></p> <p>Any reference (express or implied) in a provision in the <i>Handbook</i> to a provision of or made under the <i>Act</i> is to be read (so far as the context permits and according to the context) as being or including, in relation to times, circumstances and purposes before <i>commencement</i>, a reference to any substantially similar pre-commencement provision applicable to the <i>firm</i>.</p>	As paragraph 1	As paragraph 1

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
8	Paragraph 7	G	<p>For example, <i>SUP</i> 11.6.4R(1) requires certain <i>firms</i> to notify the <i>FSA</i> when a change in <i>control</i>, previously notified under <i>SUP</i> 11.4.2R, has taken place. Such a <i>firm</i> must notify a change in <i>control</i> that takes place after <i>commencement</i>, even if previously notified under a pre-commencement provision rather than under <i>SUP</i> 11.4.2R (and <i>SUP</i> 11.6.4R(1) is to be read as referring to that pre-commencement provision).</p> <p>Another example is <i>SUP</i> 3.10.6R, which requires an auditor's report on client assets to be provided not more than 53 weeks after the period covered by the previous report on such matters. For the first report after <i>commencement</i>, the period runs from that covered by the report under any substantially similar pre-commencement provision (because of an implied reference to that provision).</p>	As paragraph 1	As paragraph 1

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
9	As paragraph 1	R	<p><u>Time starting before commencement</u></p> <p>If, at <i>commencement</i>, time has begun to run for any purpose under any pre-commencement provision applicable to a <i>firm</i>, then:</p> <p>(1) time will be regarded as having started to run, for the purposes of any substantially similar provision in the <i>Handbook</i>, when it started to run for that other purpose; and</p> <p>(2) the <i>firm</i> will be relieved of its obligation to comply with the relevant pre-commencement provision if and to the extent that it complies with the substantially similar provision as extended by this transitional provision.</p>	As paragraph 1	As paragraph 1
10	Paragraph 9	G	<p>For example, a <i>UK bank</i> was required to submit Form LE2 within 10 business days after its quarter end by the <i>FSA's</i> Guide to Banking Supervisory Policy. If the quarter end fell five days before <i>commencement</i>, the <i>UK bank</i> must still submit the report within 10 <i>business days</i>, but in accordance with <i>SUP</i> 16.7.8R (Financial reports: banks).</p>	As paragraph 1	As paragraph 1

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
11	Every <i>rule</i> in the <i>Handbook</i> requiring a record to be made or retained (see schedule 1), unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	R	<p><u>Record keeping</u></p> <p>A firm will not contravene a rule in the Handbook requiring a record to be made or retained to the extent that the firm:</p> <p>(1) made a record of the matter before commencement in accordance with the rule or with a substantially similar pre-commencement provision applicable to the firm; and</p> <p>(2) retains that record as if the rule was in force when the record was made.</p>	From commencement of the relevant <i>rule</i> in the <i>Handbook</i>	See schedule of Transitional provisions of the relevant <i>rule</i>
12	Paragraph 11	G	This transitional provision makes specific provision, in relation to record keeping, for the matters covered by paragraphs 1 and 3. It is included for clarity and overrides those general transitional provisions.	As paragraph 11	As paragraph 11
13	As paragraph 11	R	A firm must retain a record in accordance with a rule in the Handbook requiring a record of that sort to be retained, if the firm was required to make and retain that record before commencement under a substantially similar pre-commencement provision applicable to the firm.	As paragraph 11	As paragraph 11

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
14	Paragraph 13	G	This transitional provision makes specific provision, in relation to records, for the matters covered by paragraphs 7 and 9. It is included for clarity and overrides those general transitional provisions.	As paragraph 11	As paragraph 11
15	Every <i>notification rule</i> in the <i>Handbook</i> (see schedule 2), unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	R	<p><u>Notification</u></p> <p><i>A firm (or its auditor, appointed actuary or appropriate actuary) will not contravene a notification rule in the Handbook to the extent that notice of the relevant matter was given to the firm's previous regulator before commencement in accordance with:</i></p> <p>(1) the notification rule; or</p> <p>(2) a substantially similar pre-commencement provision applicable to the firm.</p>	From commencement of the relevant rule in the <i>Handbook</i>	See schedule of Transitional provisions of the relevant rule
16	Paragraph 15	G	This transitional provision makes specific provision, in relation to notifications, for the matters covered by paragraphs 1 and 3. It is included for clarity and overrides those general transitional provisions.	As paragraph 15	As paragraph 15

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
17	Paragraphs 1 to 16	R	<p><u>Definitions</u></p> <p>In these transitional provisions:</p> <p>(1) "pre-commencement provision" means a provision repealed or revoked by or under the <i>Act</i> or a rule or guidance of the <i>firm's previous regulator</i>, including (where the context permits) any relevant provision which it replaced before <i>commencement</i>;</p> <p>(2) "substantially similar" means substantially similar in purpose and effect; and</p> <p>(3) a reference to a "provision" in the <i>Handbook</i> means every type of provision, including <i>rules, guidance, provisions in codes</i>, and so on.</p>	As paragraph 1	As paragraph 1
18	Paragraphs 19 to 22	G	<p><u>Application for provisions which are not rules</u></p> <p>The purpose of paragraphs 19 to 22 is to ensure that the transitional provisions in paragraphs 1 to 10 apply throughout the <i>Handbook</i>.</p>	As paragraphs 19 to 22	As paragraphs 19 to 22

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
19	<i>Statements of Principle</i> unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	P	The provisions in paragraphs 1 to 10 apply to every <i>approved person</i> as if the rules in those paragraphs were part of the <i>Statements of Principle</i>.	From commencement of the relevant <i>Statement of Principle</i>	See schedule of Transitional provisions for <i>APER</i>
20	<i>Code of Practice for Approved Persons and Code of Market Conduct</i> unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	E	The provisions paragraphs 1 to 10 apply to every <i>approved person</i> and every person to whom the <i>Code of Market Conduct</i> applies as if the rules in those paragraphs were part of the <i>Code of Practice for Approved Persons</i> and the <i>Code of Market Conduct</i> respectively.	From commencement of the relevant provision of the Code	See schedule of Transitional provisions for <i>APER</i> and <i>MAR</i>

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
21	Directions and requirements in the Handbook (that is, provisions with the status letter "D" in the margin or heading) unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	D	The provisions in paragraphs 1 to 10 apply to every <i>person</i> to whom a direction or requirement in the <i>Handbook</i> applies as if the <i>rules</i> in those paragraphs were part of that direction or requirement.	From commencement of the relevant direction or requirement	See schedule of Transitional provisions of the relevant direction or requirement
22	<i>Guidance</i> (and other provisions with the status letter "G" in the margin or heading) in the <i>Handbook</i> unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	G	The provisions in paragraphs 1 to 10 are also relevant to every <i>person</i> to whom any other <i>guidance</i> (or other provision with the status letter "G" in the margin or heading) in the <i>Handbook</i> is relevant as if the <i>rules</i> in those paragraphs were part of that <i>guidance</i> (or other provision).	From commencement of the relevant provision	See schedule of Transitional provisions of the relevant provision

3 **G** Table Transitional provisions applying to GEN only

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	<i>GEN 2.2.7R</i>	R	<i>GEN 2.2.7R</i> has effect as if it started with the words "Unless the context indicates otherwise,".	From 21 June 2001 until six months after <i>commencement</i>	21 June 2001

Chapter 1

Provisions which apply to all authorised persons

1.1 Application

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- (1) This chapter applies to every *firm*.
- (2) For a *UCITS qualifier*, this chapter applies only with respect to the *communication* and *approval* of *financial promotions* to which **■ COB 3** (Financial promotion) applies and to the maintenance of facilities to which **■ CIS 17.5** (Facilities in the United Kingdom) applies.

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- GEN 1.1.1 R (2)** reflects section 266 of the *Act* (Disapplication of rules).



1.2 Referring to approval by the FSA

- 1.2.1** G_{/1} The purpose of ■ GEN 1.2.2 R is to prevent *clients* being misled about the extent to which the *FSA* has approved a *firm's* affairs.
- 1.2.2** R_{/1}
- (1) Unless required to do so under the *regulatory system*, a *firm* must ensure that neither it nor anyone acting on its behalf claims, in a public statement or to a client, expressly or by implication, that its affairs, or any aspect of them, have the approval of the *FSA*.
 - (2) Paragraph (1) does not apply to statements that explain, in a way that is fair, clear and not misleading, that:
 - (a) the *firm* is an *authorised person*;
 - (b) the *firm* has *permission* to carry on a specific activity;
 - (c) an *authorisation order* has been made in relation to an *AUT* or *ICVC*;
 - (d) a *recognised scheme* has that status;
 - (e) the *firm's approved persons* have been approved by the *FSA* for the purposes of section 59 of the *Act* (Approval for particular arrangements);
 - (f) the *firm* has been given express written approval by the *FSA* in respect of a specific aspect of the *firm's* affairs.
 - (3) Paragraph (1) applies with respect to the carrying on of both *regulated activities* and *unregulated activities*.
- 1.2.3** G_{/1} ■ GEN 1.2.1 R (2)(f) is confined to written approval because of the need for clarity as to the scope of any approval given by the *FSA*.

1.3 Emergency

1.3.1 **G**_{/1} The *FSA* recognises that there may be occasions when, because of a particular emergency, a *firm* may be unable to comply with a particular *rule*. The purpose of **■ GEN 1.3.2 R** is to provide appropriate relief from the consequences of contravention of a *rule* in those circumstances.

1.3.2 **R**_{/1} (1) If any emergency arises which:

- (a) could not have been avoided by the *firm* taking all reasonable steps;
- (b) makes it impracticable for a *firm* to comply with a particular *rule*; and
- (c) is outside the control of the *firm*, its *associates* and agents (and of its and their *employees*);

the *firm* will not be in contravention of that *rule* to the extent that, in consequence of the emergency, compliance with that *rule* is impracticable.

(2) Paragraph (1) applies only for so long as:

- (a) the consequences of the emergency continue; and
- (b) the *firm* can demonstrate that it is taking all practicable steps to deal with those consequences, to comply with the *rule*, and to mitigate losses and potential losses to its *clients*.

(3) A *firm* must notify the *FSA* as soon as practicable of the emergency and of the steps it is taking and proposes to take to deal with the consequences of the emergency.

1.3.3 **G**_{/1} A *firm* should continue to keep the *FSA* informed of the steps it is taking under **■ GEN 1.3.2 R** (3), in order to comply with its obligations under *Principle 11* (Relations with regulators).

1.3.4 **G**_{/1} In the context of **■ GEN 1.3.2 R**, an action is not practicable if it involves a *firm* going to unreasonable lengths.

1.3.5 **G**_{/1} **■ GEN 1.3.2 R** operates on the *FSA's rules*. It does not affect the *FSA's* powers to take action against a *firm* in an emergency, based on contravention of other requirements and standards under the *regulatory system*. For example, the *FSA* may exercise its *own-initiative power* in appropriate cases to vary a *firm's Part IV*

permission based on a failure or potential failure to satisfy the *threshold conditions* (see ■ SUP 7 (Applying the FSA's requirements to individual firms) and ■ ENF 4 (Variation of Part IV permission on the FSA's own initiative)).

Chapter 2

2

Interpreting the Handbook

2.1 Application and purpose

Application

- 2.1.1** **G**_{/1} The purpose of ■ GEN 2.1.2 R, ■ GEN 2.1.3 P, ■ GEN 2.1.4 E, ■ GEN 2.1.5 D and ■ GEN 2.1.6 G is to ensure that ■ GEN 2 applies throughout the *Handbook*.
- 2.1.2** **R**_{/1} This chapter applies to every *person* to whom any *rule* in the *Handbook* applies.
- 2.1.3** **P**_{/1} This chapter applies to every *approved person* as if the *rules* in this chapter were part of the *Statements of Principle*.
- 2.1.4** **E**_{/1} This chapter applies to every *approved person* and every *person* to whom the *Code of Market Conduct* applies as if the *rules* in this chapter were part of the *Code of Practice for Approved Persons* and the *Code of Market Conduct* respectively.
- 2.1.5** **D**_{/1} This chapter applies to every *person* to whom a direction or requirement in the *Handbook* (that is, a provision with the status letter “D” in the margin or heading) applies as if the *rules* in this chapter were part of that direction or requirement.
- 2.1.6** **G**_{/1} This chapter is also relevant to every *person* to whom any other *guidance* (or other provision with the status letter “G” in the *margin* or heading) in the *Handbook* is relevant as if the *rules* in this chapter were part of that *guidance* (or other provision).
- 2.1.7** **R**_{/1} Where this chapter refers to a “provision” in the *Handbook*, this means every type of provision, including *rules*, *guidance*, provisions in codes, and so on.
- 2.1.8** **R**_{/1} This chapter applies to all rules made by *FOS Ltd*.
- 2.1.9** **G**_{/1} The effect of ■ GEN 2.1.8 R is that this chapter applies with respect to those provisions in ■ DISP 2 (Jurisdiction of the Financial Ombudsman Service), ■ DISP 3 (Complaint handling procedures of the Financial Ombudsman Service), ■ DISP 4 (Standard terms) and ■ DISP 5 (Financial Ombudsman Service Funding Rules) made by *FOS Ltd*.

Purpose

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The purpose of ■ GEN 2 is to facilitate interpretation of the *Handbook*, in conjunction with the Reader’s Guide.

2.2 Interpreting the Handbook

Purposive interpretation

2.2.1 **R** Every provision in the *Handbook* must be interpreted in the light of its purpose.

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2.2.2 **G** The purpose of any provision in the *Handbook* is to be gathered first and foremost from the text of the provision in question and its context among other relevant provisions. The *guidance* given on the purpose of a provision is intended as an explanation to assist readers of the *Handbook*. As such, *guidance* may assist the reader in assessing the purpose of the provision, but it should not be taken as a complete or definitive explanation of a provision's purpose.

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Evidential provisions

2.2.3 **R** Any *rule* in the *Handbook* which has the status letter "E" in the margin or heading:

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- (1) is to be taken also to provide that contravention of the *rule* does not give rise to any of the consequences provided for by provisions of the *Act* other than section 149 (Evidential provisions); and
- (2) incorporates the status letter "E" in the margin or heading as part of the *rule*.

2.2.4 **G** (1) The *rules* to which section 149 of the *Act* applies ("*evidential provisions*") are identified in the *Handbook* by the status letter "E" in the *margin* or heading.

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- (2) Other provisions in the *Handbook*, although also identified by the status letter "E" in the margin or heading, are actually not *rules* but provisions in codes and ■ GEN 2.2.3 R does not apply to them. These code provisions are ■ GEN 2.1.4 E, and those provisions in the *Code of Practice for Approved Persons* ■ APER 3 and ■ APER 4) and the *Code of Market Conduct* ■ MAR 1) with the status letter "E".

2.2.5 **G** Paragraphs 18 to 31 of the Reader's Guide contain an explanation of the significance of the status letters R, D, P, C, E and G, and include further information on *evidential provisions*.

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Use of defined expressions

- 2.2.6** **G** Expressions with defined meanings appear in italics in the *Handbook*.
- 2.2.7** **R** ^{/1} **In the *Handbook* (except *IPRU*):**
- (1) **an expression in italics which is defined in the *Glossary* has the meaning given there; and**
- (2) **an expression in italics which relates to an expression defined in the *Glossary* must be interpreted accordingly.**
- 2.2.8** **G** ^{/1} Examples of related expressions are:
- (1) "*advice on investments*" and "*advise on investments*", which should be interpreted by reference to "*advising on investments*";
- (2) "*closely linked*", which should be interpreted by reference to "*close links*";
- (3) "*controls*" and "*controlled*", which should be interpreted by reference to "*control*"; and
- (4) "*effect*", as for example in "*effect a life policy*", which should be interpreted by reference to "*effecting contracts of insurance*".
- 2.2.9** **G** ^{/1} Unless the context otherwise requires, where italics have not been used, an expression bears its natural meaning (subject to the Interpretation Act 1978; see ■ GEN 2.2.11 R to ■ GEN 2.2.12 G).
- 2.2.10** **G** ^{/1} The Interim Prudential sourcebooks (*IPRU*) have individual arrangements for defined terms and each contains *rules* or *guidance* on its own arrangements. In respect of those sourcebooks, reliance should not be placed on the definitions which appear in the *Glossary* unless otherwise indicated.

Application of the Interpretation Act 1978

- 2.2.11** **R** ^{/1} **The Interpretation Act 1978 applies to the *Handbook*.**
- 2.2.12** **G** ^{/1} The application of the Interpretation Act 1978 to the *Handbook* has the effect, in particular, that:
- (1) expressions in the *Handbook* used in the *Act* have the meanings which they bear in the *Act*, unless the contrary intention appears;
- (2) where reference is made in the *Handbook* to an enactment, it is a reference to that enactment as amended, and includes a reference to that provision as extended or applied by or under any other enactment, unless the contrary intention appears; and
- (3) unless the contrary intention appears:
- (a) words in the *Handbook* importing the masculine gender include the feminine and words importing the feminine gender include the masculine;

- (b) words in the *Handbook* in the singular include the plural and words in the plural include the singular.

Cross-references in the Handbook

- 2.2.13 **R** A reference in the *Handbook* to another provision in the *Handbook* is a reference to that provision as amended from time to time.
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References to writing

- 2.2.14 **R** If a provision in the *Handbook* refers to a communication, notice, agreement or other *document* “in writing” then, unless the contrary intention appears, it means in legible form and capable of being reproduced on paper, irrespective of the medium used. Expressions related to writing must be interpreted accordingly.
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- 2.2.15 **G** ■ GEN 2.2.14 R means that, for example, electronic media may be used to make communications which are required by a provision of the *Handbook* to be “in writing”, unless a contrary intention appears, or the use of electronic media would contravene some other requirement such as the requirement to treat *customers* fairly under *Principle 6*. COB 1.8 (Application to electronic media) contains further *guidance* in respect of electronic communication with or for *customers*. ■ GEN 2.2.14 R does not, however, affect any other legal requirement which may apply in relation to the form or manner of executing a *document* or agreement.
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- 2.2.16 **G** “*Document*” is a defined term in the *Glossary*, the definition of which includes information recorded in any form, including electronic form.
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Activities covered by general rules

- 2.2.17 **R** A general rule (that is a rule made under section 138 of the Act (General rule-making power)) is to be interpreted as:
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- (1) applying to a *firm* with respect to the carrying on of all *regulated activities*, except to the extent that a contrary intention appears; and
 - (2) not applying to a *firm* with respect to the carrying on of *unregulated activities*, unless and then only to the extent that a contrary intention appears.

Continuity of authorised partnerships and unincorporated associations

- 2.2.18 **R** (1) If a *firm*, which is a *partnership* or unincorporated association, is dissolved, any *firm* which succeeds to the business of the dissolved *firm* is to be regarded as the same *firm* for the purposes of the *Handbook*.
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- (2) For the purposes of (1), a *firm* is to be regarded as succeeding to the business of another *firm* only if:
- (a) the *members* of the resulting *firm* are substantially the same as those of the former *firm*; and
 - (b) succession is to the whole or substantially the whole of the business of the former *firm*.
- (3) In (1), "*partnership*" does not include a *partnership* which is constituted under the law of any place outside the *United Kingdom* and is a *body corporate*.

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In principle, it is possible to view a change of *partners* in a *partnership*, or a change in the membership of the unincorporated association, as the formation of a new *partnership* or association. ■ GEN 2.2.18 R reflects section 32 of the *Act* (Partnerships and unincorporated associations), which provides for the continuing *authorisation of partnerships* and unincorporated associations following a change in *partners* or members. ■ GEN 2.2.18 R ensures a similar effect in relation to the status of the *partnership* or unincorporated associations as a "*firm*" or "*authorised person*" for the purposes of the *Handbook*. This continuity does not apply if a *limited liability partnership* succeeds to the business of a dissolved *partnership*; *authorisation of the limited liability partnership* would need to be applied for.

Definition of *designated investment exchange*

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In the *Glossary*, the definition of *designated investment exchange* lists certain investment exchanges. Further information on *designated investment exchanges*, including *guidance* on the addition of an investment exchange to the list, is set out in ■ GEN 2 Ann 1 G.

Designated investment exchanges

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- 1 Table Further information on designated investment exchanges appears on the next page.

Introduction

1. A *designated investment exchange* is an exchange appearing in the list of such exchanges in the *Glossary*.

Benefits of designation

2. Under certain *rules*, *firms* may treat transactions effected on a *designated investment exchange* in the same way as transactions on *RIEs* (for example, see *COB 5 Ann 1 E*, *COB 9.1.35 R* and *COB 7.11*).

Criteria for inclusion in the list of designated investment exchanges

3. Before adding an investment exchange to the list of *designated investment exchanges* in the *Handbook*, the *FSA* will comply with all the requirements imposed by the *Act* in relation to the exercise of its rule-making powers. This will include consulting on the proposed amendment to the list.
4. In considering compatibility of the proposed addition with the *regulatory objectives*, the *FSA* will determine whether the investment exchange provides an appropriate degree of protection for *consumers* having regard in particular to:
 - (1) the relevant law and practice, including the regulatory framework in which the investment exchange operates, in the country or territory in which the investment exchange's head office is situated and any other relevant country or territory; and
 - (2) the rules and practices of the investment exchange.
5. Only investment exchanges which do not carry on a *regulated activity* in the *United Kingdom* and are not *regulated markets* may be added to the list. This is because an investment exchange carrying on a *regulated activity* in the *United Kingdom* will need to apply for recognition as an *RIE*, or *authorisation*, and because a *regulated market* is usually treated in the same way as an *RIE* in the *rules*.

Applications to be added to the list of designated investment exchanges

6. An application to be added to the list should be in writing and delivered to the *FSA* by:
 - (1) post to:
The Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS; or
 - (2) leaving the application at that address.
7. In support of the application, an investment exchange should provide information on the questions set out in the table below.

2 Table Designated investment exchange questionnaire

Designated investment exchange questionnaire	
1	In what way are members subject to formal supervision by the exchange or another supervisory or regulatory body? Describe how capital resources of members are monitored on an ongoing basis and how this is related to business done.
2	What powers does the exchange or any other supervisory or regulatory body have to intervene in a member's business in the event of misconduct, financial difficulties or otherwise?
3	What are the clearing arrangements of the exchange? How does the exchange ensure performance of a contract between its members? If relevant, what type of contract guarantee is available?
4	How is price information in respect of contracts effected on the exchange disseminated to investors, particularly those investors in the <i>United Kingdom</i>?
5	What are the exchange's arrangements for reporting and recording of transactions effected on the exchange? Please describe.
6	Does the exchange, or any other supervisory or regulatory body, require members to segregate the money and assets of the member's <i>clients</i> from the money and assets of the member? If so, please describe in outline how this operates. If not, are investors protected in any other way in the event of the insolvency of a member or the exchange?
7	Does the exchange have procedures for the investigation of complaints? Please describe what they are.
8	Does the exchange classify the different contracts traded on it in terms of liquidity? Is it possible to identify certain contracts which are more liquid than others and in which a ready market might be considered to exist?

Handbook Modules

Schedule1 Record keeping requirements

G

- 1 There are no record keeping requirements in GEN.

Handbook Modules

Schedule2 Notification requirements

G

- 1 The aim of the guidance in the following table is to give the reader a quick over-all view of the relevant requirements for notification and reporting.
- 2 It is not a complete statement of those requirements and should not be relied on as if it were.
- 3

Table	Notifications requirements
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Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
GEN 1.3.2R	An emergency which makes it impracticable for a <i>firm</i> to comply with a particular <i>rule</i> .	Notification of the emergency and of the steps the <i>firm</i> is taking and proposes to take to deal with its consequences	An emergency which makes it impracticable for a <i>firm</i> to comply with a particular <i>rule</i> .	Notification as soon as practicable

Handbook Modules

Schedule3 Fees and other required payments

G

- 1 There are no requirements for fees or other payments in GEN. GEN 3 (FSA fees: general provisions contains general provisions relating to the payment of fees.

Handbook Modules

Schedule4 Powers exercised

G

- 1 The following powers and related provisions in or under the Act have been exercised by the FSA to make rules in GEN:
 - (1) Section 59 (Approval for particular arrangements)
 - (2) Section 118(8) (Market abuse)
 - (3) Section 136(2) (Funding of the legal assistance scheme)
 - (4) Section 138 (General rule-making power)
 - (5) Section 139 (Miscellaneous ancillary matters)
 - (6) Section 140 (Restrictions on managers of authorised unit trust schemes)
 - (7) Section 141 (Insurance business rules)
 - (8) Section 142(2) (Insurance business: regulations supplementing Authority's rules)
 - (9) Section 143 (Endorsements of codes etc)
 - (10) Section 144 (Price stabilising rules)
 - (11) Section 145 (Financial promotion rules)
 - (12) Section 146 (Money laundering rules)
 - (13) Section 147 (Control of information rules)
 - (14) Section 149 (Evidential provisions)
 - (15) Section 150(2) (Actions for damages)
 - (16) Section 156 (General supplementary powers)
 - (17) Section 213 (The compensation scheme)
 - (18) Section 214 (General)
 - (19) Section 215 (Rights of the scheme in relevant person's insolvency)
 - (20) Section 216 (Continuity of long-term insurance policies)
 - (21) Section 217 (Insurers in financial difficulties)

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- (22) Section 218(2)(b) (Annual report)
 - (23) Section 223(1) (Management expenses)
 - (24) Section 226 (Compulsory jurisdiction)
 - (25) Section 229 (Awards)
 - (26) Section 234 (Industry funding)
 - (27) Section 238(5) (Restrictions on promotion)
 - (28) Section 239 (Single property schemes)
 - (29) Section 247 (Trust scheme rules)
 - (30) Section 248 (Scheme particulars rules)
 - (31) Section 278 (Rules as to scheme particulars)
 - (32) Section 283(1) (Facilities and information in the United Kingdom)
 - (33) Section 293 (Notification requirements)
 - (34) Section 295(3) (Notification: overseas investment exchanges and overseas clearing houses)
 - (35) Section 322 (Rules applicable to former underwriting members)
 - (36) Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)
 - (37) Section 340 (Appointment)
 - (38) Paragraph 17 of Schedule 1 (The Financial Services Authority: Fees)
 - (39) Paragraph 19 of Schedule 3 (EEA Passport Rights: Establishment)
 - (40) Paragraph 20 of Schedule 3 (EEA Passport Rights: Services)
 - (41) Paragraph 7(3) of Schedule 17 (The Ombudsman Scheme: Annual reports)
 - (42) Paragraph 13 of Schedule 17 (Authority's procedural rules)
 - (43) Regulation 6(1) of the OEIC Regulations (FSA rules).
- 2 The following powers and related provisions in the Act have been exercised by the FSA to issue the parts of the codes in GEN:
- (1) Section 64(2) (Conduct: statements and codes)
 - (2) Section 119 (The Code)
 - (3) Section 120 (Provisions included in the Authority's code by reference to the City Code).
- 3 The following powers in the Act have been exercised by the FSA to issue the parts of the statements in GEN:

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- (1) Section 64(1) (Conduct: statements and codes)
 - (2) Section 69 (Statement of policy)
 - (3) Section 124 (Statement of policy)
 - (4) Section 169(9) (Investigations etc in support of overseas regulator)
 - (5) Section 210 (Statements of policy)
 - (6) Section 395(5) (The Authority's procedures).
- 4 The following powers and related provisions in or under the Act have been exercised by the FSA in GEN to direct, require or specify:
- (1) Section 51 (Applications under this Part)
 - (2) Section 60 (Applications for approval)
 - (3) Section 148(3) (Modification or waiver of rules)
 - (4) Section 182 (Notification)
 - (5) Section 242 (Applications for authorisation of unit trust schemes)
 - (6) Section 250(4) and (5) (Modification or waiver of rules)
 - (7) Section 270(6)(b) (Schemes authorised in designated countries or territories)
 - (8) Section 274 (Application for recognition of individual schemes)
 - (9) Section 287 (Application by an investment exchange)
 - (10) Section 288 (Application by a clearing house)
 - (11) Section 294(2) (Modification or waiver of rules)
 - (12) Section 316 (Direction by Authority)
 - (13) Section 317 (The core provisions)
 - (14) Section 318 (Exercise of powers through Council)
 - (15) Regulation 7(3) and (4) of the OEIC Regulations (Modification or waiver of FSA rules)
 - (16) Regulation 12 of the OEIC Regulations (Authorisation).
- 5 The following power in the Act has been exercised by the FSA to make the part of the complaints scheme in GEN:
- Paragraph 7 of Schedule 1 (Arrangements for the investigation of complaints).
- 6 The following power in the Act has been exercised by the FSA to give the other guidance in GEN:
- Section 157(1) (Guidance).

7 In this Schedule, references to GEN include the Glossary.

Handbook Modules

Schedule5 Rights of action for damages

G

- 1 The table below sets out the rules in GEN contravention of which by an authorised person may be actionable under section 150 of the Act (Actions for damages) by a person who suffers loss as a result of the contravention.
- 2 If a “Yes” appears in the column headed “For private person?”, the rule may be actionable by a “private person” under section 150 (or, in certain circumstances, his fiduciary or representative; see article 6(2) and (3)(c) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI 2001 No 2256)). A “Yes” in the column headed “Removed” indicates that the FSA has removed the right of action under section 150(2) of the Act. If so, a reference to the rule in which it is removed is also given.
- 3 The column headed “For other person?” indicates whether the rule may be actionable by a person other than a private person (or his fiduciary or representative) under article 6(2) and (3) of those Regulations. If so, an indication of the type of person by whom the rule may be actionable is given.
- 4

Table	Actions for damages: General provisions
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Chapter/ Appendix	Section/ Annex	Paragraph	Right of action under section 150		
			For private person?	Removed?	For other person?
All rules in <i>GEN</i> with the status letter “E”			No	No	No
<i>GEN</i> 2.1.8 R			No	No	No
All other rules in <i>GEN</i>			Yes	No	No

Handbook Modules

Schedule6 Rules that can be waived

G

- 1 GEN 1.2.2R (Referring to approval by the FSA) can be waived by the FSA under section 148 of the Act (Modification or waiver of rules).
- 2 GEN 2.1.8R is made by FOS Ltd and not by the FSA and cannot be waived by the FSA.
- 3 Every other rule in GEN can be waived by the FSA if, and to the extent that, the rules elsewhere in the Handbook which it modifies or to which it otherwise relates can be waived by the FSA.

General provisions

Derivations

G

There is no table of derivations for *GEN*.

General provisions

Destinations

G

There is no table of destinations for *GEN*.

ANNEX

PART 2

Glossary

G. Guidance on the Glossary

1. The *rules* and *guidance* for interpreting the *Handbook* are to be found in *GEN 2* (Interpreting the Handbook).
2. The *guidance* in the following paragraphs reminds the reader of some practical points for interpreting *Handbook* text.
3. Each sourcebook or manual has a reference code of two or more letters, usually a contraction or abbreviation of its title (for example, *GEN* stands for the General provisions and *COB* for the Conduct of Business sourcebook). The meaning of each of these codes is given in the *Glossary*.
4. Expressions used in the *Handbook* which are defined in the *Glossary* appear in the text in italic type (*GEN 2.2.7R(1)* (Use of defined expressions)). An expression which is not shown in the text in italics has its natural meaning unless the context otherwise requires (*GEN 2.2.9G*).
5. An expression which appears in the text in italics, but is not itself defined in the *Glossary*, should be read in the same sense as the expression to which it relates (for example, "*advice on investments*" and "*advise on investments*" are related to "*advising on investments*", so the reader should refer to the definition of "*advising on investments*" for their meaning). (*GEN 2.2.7R(2)* and *GEN 2.2.8G*).
6. The words "in writing", unless the contrary intention appears, mean in legible form and capable of reproduction on paper; they include electronic communication (*GEN 2.2.14R* (References to writing)).
7. The Interpretation Act 1978 applies to the *Handbook*, so (unless the contrary intention appears):
 - (1) the singular includes the plural, and the plural the singular (*GEN 2.2.12G(3)*);
 - (2) the masculine includes the feminine (*GEN 2.2.12G(3)*);
 - (3) a reference to a statutory provision is a reference to it as amended from time to time (*GEN 2.2.12G(2)*); under *GEN 2.2.13R* (Cross-references in the Handbook) the same applies to a provision in the *Handbook*.
8. Many of the defined expressions in the *Glossary* are used or defined in the *Act* or in a statutory instrument made under it. In these cases, the *Glossary* refers to the statutory provision which is the source of the *Handbook* definition. Where there is a short statutory definition, the *Glossary* sets out the definition in full. Where the statutory definition is long, the *Glossary* gives a summary of it, and states that it is a summary.

Defined expression	Definition
<i>50% controller</i>	a <i>controller</i> in whose case the relevant percentage of shares or <i>voting power</i> is 50% or more.
<i>accepted channel for dissemination of information</i>	(in relation to any <i>prescribed market</i>) an approved channel of communication by which information concerning <i>investments</i> traded on the market is formally disseminated to other market users on a structured and equitable basis.
<i>accepting deposits</i>	the <i>regulated activity</i> , specified in article 5 of the <i>Regulated Activities Order</i> (Accepting deposits), which is in summary: accepting <i>deposits</i> if: <ul style="list-style-type: none"> (a) money received by way of <i>deposit</i> is lent to others; or (b) any other activity of the <i>person</i> accepting the <i>deposit</i> is financed, wholly or to a material extent, out of the capital of or interest on money received by way of <i>deposit</i>.
<i>accident</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 1 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), providing fixed pecuniary benefits or benefits in the nature of indemnity (or a combination of both) against risks of the <i>person</i> insured or, in the case of a contract made under section 140, 140A or 140B of the Local Government Act 1972 (or, in Scotland, section 86(1) of the Local Government (Scotland) Act 1973), a <i>person</i> for whose benefit the contract is made: <ul style="list-style-type: none"> (a) sustaining injury as the result of an accident or of an accident of a specified class; or (b) dying as a result of an accident or an accident of a specified class; or (c) becoming incapacitated in consequence of disease or of disease of a specified class; including contracts relating to industrial injury and occupational disease but excluding contracts within paragraph 2 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Sickness) and contracts within paragraph IV of Part II of that Schedule (Permanent health).
<i>accounting reference date</i>	(1) (except in <i>CIS</i>): <ul style="list-style-type: none"> (a) (in relation to a <i>company</i> incorporated in the <i>United Kingdom</i> under the Companies Acts) the accounting reference date of that <i>company</i> determined in accordance with section 224 of the Companies Act 1985; (b) (in relation to any other body) the last <i>day</i> of its financial year. (2) (in <i>CIS</i>) the date stated in the most recently published <i>prospectus</i> as the date on which the <i>annual accounting period</i> of the

authorised fund is to end in each year.

<i>accrual interval</i>	(in <i>CIS</i>) (in relation to a <i>manager's</i> periodic charge) the interval specified in the <i>trust deed</i> over which the periodic charge accrues.
<i>accumulation share</i>	a <i>share</i> in respect of which income is credited periodically to capital under <i>CIS</i> 9.2.4R (Annual allocation to accumulation shares or accumulation units) or <i>CIS</i> 9.2.6R (Interim allocations of income).
<i>accumulation unit</i>	a <i>unit</i> in respect of which income is credited periodically to capital under <i>CIS</i> 9.2.4R (Annual allocation to accumulation shares or accumulation units) or <i>CIS</i> 9.2.6R (Interim allocations of income).
<i>ACD</i>	<i>authorised corporate director</i> .
<i>Act</i>	the Financial Services and Markets Act 2000.
<i>acting as the depositary or sole director of an open-ended investment company</i>	the <i>regulated activity</i> , specified in article 51(1)(c) of the <i>Regulated Activities Order</i> (Establishing etc a collective investment scheme), of acting as the depositary or sole director of an <i>open-ended investment company</i> .
<i>acting as trustee of an authorised unit trust scheme</i>	the <i>regulated activity</i> , specified in article 51(1)(b) of the <i>Regulated Activities Order</i> (Establishing etc a collective investment scheme), of acting as a <i>trustee</i> of an <i>authorised unit trust scheme</i> .
<i>actuarial body</i>	the Institute of Actuaries or the Faculty of Actuaries.
<i>actuarial health insurance</i>	the type of insurance defined in <i>LLD</i> 11.4.1R, which is in summary: <i>general insurance business</i> which is <i>sickness</i> insurance and satisfies certain specified conditions.
<i>actuary</i>	a fellow of an <i>actuarial body</i> or (in connection with <i>general insurance business</i>) a Fellow of the Casualty Actuarial Society who is a member of an <i>actuarial body</i> .
<i>actuating purpose</i>	a purpose which motivates or incites a <i>person</i> to act.
<i>additional voluntary contribution</i>	(a) a voluntary contribution paid by a member of an <i>occupational pension scheme</i> under the terms of the scheme or of a separate contract; (b) an additional contribution paid by a member of an <i>occupational pension scheme</i> to which his employer is not a contributor, under which additional benefits are provided to supplement the benefits under another <i>occupational pension scheme</i> of which he is also a member and to which his employer is a contributor.
<i>administrative functions</i>	(a) (in relation to managing <i>investments</i>): (i) arranging settlement; (ii) monitoring and processing corporate actions; (iii) <i>client</i> account administration, liaison and reporting, including valuation and performance measurement; (iv) <i>ISA</i> or <i>PEP</i> administration;

- (v) *investment trust savings scheme* administration;
 - (b) (in relation to *effecting* or *carrying out life policies*):
 - (i) new business administration;
 - (ii) *policy* alterations including surrenders and *policy* loans;
 - (iii) preparing *projections*;
 - (iv) processing claims including pension payments;
 - (v) fund switching;
 - (c) (in relation to the operation of a *stakeholder pension scheme*):
 - (i) new business administration;
 - (ii) receipt of or alteration to contributions;
 - (iii) preparing *projections* and annual statements;
 - (iv) administration of transfers;
 - (v) handling claims, including pension payments;
 - (vi) fund allocation and switching.
- admissible asset* (in *LLD*) an asset that may be taken into account for the purposes of the solvency requirements in *LLD* 11.2.1R in accordance with *LLD* 13.4.1R.
- admission to trading* (in relation to an *investment* and an exchange) the process by which the exchange permits members of the exchange to enter into transactions in that *investment* under and subject to the rules of the exchange.
- adopted packaged product* (in relation to a *firm*) a *stakeholder pension scheme* which is a *packaged product*:
- (a) not produced by the *firm* or in the *firm's marketing group*, but by another producer (whether a *firm* or not); and
 - (b) on which the *firm* is able to advise as a result of a decision taken under *COB* 5.1.4R(1).
- adviser* an individual who is:
- (a) a *financial adviser*; or
 - (b) a *representative*; or
 - (c) an *appointed representative*.
- adviser on syndicate participation at Lloyd's function* *controlled function* CF25 in the *table of controlled functions*, described more fully in *SUP* 10.10.15R.
- advising on investments* the *regulated activity*, specified in article 53 of the *Regulated Activities Order* (Advising on investments), which is in summary: advising a *person* if the advice is:
- (a) given to the *person* in his capacity as an investor or potential investor, or in his capacity as agent for an investor or a potential

	investor; and
	(b) advice on the merits of his doing any of the following (whether as principal or agent):
	(i) <i>buying, selling</i> , subscribing for or underwriting a particular <i>investment</i> which is a designated <i>investment</i> ; or
	(ii) exercising any right conferred by such an <i>investment</i> to <i>buy, sell</i> , subscribe for or underwrite such an <i>investment</i> .
<i>advising on investments (except pension transfers and pension opt-outs)</i>	<i>advising on investments</i> except in respect of <i>pension transfers</i> and <i>pension opt-outs</i> .
<i>advising on pension transfers and pension opt-outs</i>	<i>advising on investments</i> in respect of <i>pension transfers</i> and <i>pension opt-outs</i> .
<i>advising on syndicate participation at Lloyd's</i>	the <i>regulated activity</i> , specified in article 56 of the <i>Regulated Activities Order</i> (Advice on syndicate participation at Lloyd's), of advising a <i>person</i> to become, or continue or cease to be, a member of a particular Lloyd's <i>syndicate</i> .
<i>affected person</i>	(in <i>CIS</i>):
	(a) (in relation to an <i>ICVC</i>):
	(i) the <i>ICVC</i> ;
	(ii) its <i>depository</i> ;
	(iii) a <i>director</i> of the <i>ICVC</i> ;
	(iv) any <i>investment adviser</i> of the <i>ICVC</i> ;
	(v) any <i>associate</i> of any <i>person</i> in (a)(i), (ii), (iii) or (iv);
	(b) (in relation to an <i>AUT</i>):
	(i) the <i>manager</i> ;
	(ii) the <i>trustee</i> ;
	(iii) any <i>investment adviser</i> of the <i>manager</i> ;
	(iv) any <i>associate</i> of any <i>person</i> in (b)(i), (ii) or (iii).
<i>affiliated company</i>	(in relation to a <i>person</i>) an <i>undertaking</i> in the same <i>group</i> as that <i>person</i> .
<i>agreeing to carry on a regulated activity</i>	the <i>regulated activity</i> , specified in article 64 of the <i>Regulated Activities Order</i> (Agreeing to carry on specified kinds of activity), of agreeing to carry on an activity specified in Part II of that Order other than:
	(a) <i>accepting deposits</i> ;
	(b) <i>effecting contracts of insurance</i> ;

	<ul style="list-style-type: none"> (c) <i>carrying out contracts of insurance;</i> (d) <i>establishing, operating or winding up a collective investment scheme;</i> (e) <i>acting as trustee of an authorised unit trust scheme;</i> (f) <i>acting as the depositary or sole director of an open-ended investment company;</i> (g) <i>establishing, operating or winding up a stakeholder pension scheme.</i>
<i>aircraft</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 5 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), upon aircraft or upon the machinery, tackle, furniture or equipment of aircraft.
<i>aircraft liability</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 11 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), against damage arising out of or in connection with the use of aircraft, including third-party risks and carrier's liability.
<i>allocation period</i>	a single 24-hour period or, with the agreement of each <i>intermediate customer</i> concerned, a period spanning five consecutive <i>business days</i> , during which an aggregated <i>series of transactions</i> may be <i>executed</i> .
<i>ancillary action</i>	action, ancillary to stabilising action, permitted under <i>MAR 2.4.2R</i> .
<i>ancillary activity</i>	an activity which is not a <i>regulated activity</i> but which is: <ul style="list-style-type: none"> (a) carried on in connection with a <i>regulated activity</i>; or (b) held out as being for the purposes of a <i>regulated activity</i>.
<i>announceable information</i>	information which is usually the subject of a public announcement, although not subject to any formal disclosure requirement.
<i>annual accounting period</i>	a period determined in accordance with <i>CIS 9.2.1R</i> (Accounting period).
<i>annual income allocation date</i>	the date in any year stated in the most recently published <i>prospectus</i> as the date on or before which, in respect of each <i>annual accounting period</i> , an allocation of income is to be made.
<i>annual report and accounts</i>	<ul style="list-style-type: none"> (a) (in relation to a <i>company</i> incorporated in the <i>United Kingdom</i>) an annual report and annual accounts as those terms are defined in sections 261(2) and 262(1) of the Companies Act 1985, together with an auditor's report prepared in relation to those accounts under section 235 of the Companies Act 1985; (b) (in relation to any other body) any similar or analogous <i>documents</i> which it is required to prepare whether by its constitution or by the law under which it is established.
<i>APER</i>	the part of the <i>Handbook</i> in High Level Standards which has the title Statements of Principle and Code of Practice for Approved Persons.

applicable provisions the *Host State* rules with which:

- (a) an *incoming EEA firm* is required to comply when carrying on a *permitted activity* through a *branch* or by providing services (as applicable) in the *United Kingdom*, as defined in paragraphs 13(4) and 14(4) of Part II of Schedule 3 to the *Act* (Exercise of passport rights by EEA firms); or
- (b) a *UK firm* is required to comply when conducting business through a *branch* (in accordance with paragraph 19(13) of Part III of Schedule 3 to the *Act* (Exercise of passport rights by UK firms)) or by providing services (as applicable) in another *EEA State*.

applications day the first *day* on which section 40 of the *Act* (Application for permission) comes into force (for any purpose).

appointed actuary an *actuary* appointed under *SUP* 4.3.1R (Appointment by firms).

appointed actuary function *controlled function* CF12 in the *table of controlled functions*, described more fully in *SUP* 10.7.17R.

appointed representative (in accordance with section 39 of the *Act*) a *person* (other than an *authorised person*) who:

- (a) is a party to a contract with an *authorised person* (his *principal*) which:
 - (i) permits or requires him to carry on business of a description prescribed in the *Appointed Representatives Regulations*; and
 - (ii) complies with such requirements as are prescribed in those Regulations; and
- (b) is someone for whose activities in carrying on the whole or part of that business his *principal* has accepted responsibility in writing;

and who is therefore an *exempt person* in relation to any *regulated activity* comprised in the carrying on of that business for which his *principal* has accepted responsibility.

Appointed Representatives Regulations the Financial Services and Markets Act 2000 (Appointed Representatives) Regulations 2001 (SI 2001/1217).

apportionment and oversight function *controlled function* CF8 in the *table of controlled functions*, described more fully in *SUP* 10.7.1R.

appropriate actuary an *actuary* appointed under *SUP* 4.4.1R (Appointment of an appropriate actuary).

appropriate personal pension a *personal pension policy* or a *personal pension contract* under which contributions are made to a *personal pension scheme* which is an appropriate scheme under section 1(8) of the Social Security Act 1986 or article 3(8) of the Social Security (Northern Ireland) Order 1986.

- appropriate valuer* (in *CIS*) a *person* who complies with the requirements of *CIS* 5.8.5R(7) (Approved immovables).
- approve* (in relation to a *financial promotion*) approve the content of the *financial promotion* for the purposes of section 21 of the *Act* (Restrictions on financial promotion).
- approved bank* (in relation to a bank account opened by a *firm*):
- (a) if the account is opened at a branch in the *United Kingdom*:
 - (i) the Bank of England; or
 - (ii) the central bank of a member state of the *OECD*; or
 - (iii) a *bank*; or
 - (iv) a *building society* which offers, unrestrictedly, banking services; or
 - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the *OECD*; or
 - (b) if the account is opened elsewhere:
 - (i) a bank in (a); or
 - (ii) a *credit institution* established in an *EEA State* other than the *United Kingdom* and duly authorised by the relevant *Home State regulator*; or
 - (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or
 - (c) a bank supervised by the South African Reserve Bank; or
 - (d) any other bank that:
 - (i) is subject to regulation by a national banking regulator;
 - (ii) is required to provide audited accounts;
 - (iii) has minimum net assets of £5 million (or its equivalent in any other currency at the relevant time) and has a surplus revenue over expenditure for the last two financial years; and
 - (iv) has an annual audit report which is not materially qualified.
- approved collateral* any form of security for the discharge of any liability arising from a *contingent liability investment* (other than a guarantee) which:
- (a) (in relation to an *on-exchange* transaction) is acceptable under the rules of the relevant exchange or *clearing house*; and
 - (b) (in relation to an *OTC* transaction) would be acceptable for a similar transaction to the relevant exchange or *clearing house*.
- approved counterparty* an approved counterparty as defined in *IPRU(INS)*.

<i>approved credit institution</i>	an approved credit institution as defined in <i>IPRU(INS)</i> .
<i>approved depositary</i>	any <i>depositary</i> : <ul style="list-style-type: none"> (a) that is subject to regulation by a national <i>regulatory body</i>; (b) that is required to provide audited accounts; (c) that has minimum net assets of £5 million (or its equivalent in any other currency at the relevant time) and has a surplus revenue over expenditure for the last two financial years; and (d) whose latest annual audit report is not materially qualified.
<i>approved derivative</i>	(in <i>CIS</i>) a <i>derivative</i> which is traded or dealt in on an <i>eligible derivatives</i> market.
<i>approved examination</i>	an examination listed in the annexes to <i>TC 2</i> , or an examination which is equivalent in accordance with the <i>Diploma Directives</i> .
<i>approved financial institution</i>	an approved financial institution as defined in <i>IPRU(INS)</i> .
<i>approved immovable</i>	an interest in any land or building which satisfies the conditions in <i>CIS</i> 5.8.5R (Approved immovables).
<i>approved mortgage</i>	(in <i>CIS</i>) a mortgage: <ul style="list-style-type: none"> (a) which the <i>trustee</i> reasonably believes can be discharged on demand or within 28 <i>days</i> by repayment of all the <i>money</i> secured by the mortgage (including, where appropriate, any additional sum provided for under the mortgage); and (b) on which there is not secured any property, whether immediately or contingently, other than the <i>approved immovable</i> in question.
<i>approved person</i>	a <i>person</i> in relation to whom the <i>FSA</i> has given its approval under section 59 of the <i>Act</i> (Approval for particular arrangements) for the performance of a <i>controlled function</i> .
<i>approved security</i>	<ul style="list-style-type: none"> (1) (in <i>CIS</i>) a <i>transferable security</i> that is admitted to <i>official listing</i> in an <i>EEA State</i> or is traded on or under the rules of an <i>eligible securities</i> market (otherwise than by the specific permission of the market authority). (2) (in <i>LLD</i>) any of the following: <ul style="list-style-type: none"> (a) any <i>security</i> issued or guaranteed by, or the repayment of the principal of which, or the interest on which, is guaranteed by, and any loans to or deposits with, any government, public or local authority or nationalised industry or undertaking, which belongs to a <i>Zone A country</i>; (b) any loan to, or deposit with, an <i>approved financial institution</i>;

	(c) any <i>debenture</i> issued before 31 December 1994 by the Agricultural Mortgage Corporation Limited or the Scottish Agricultural Securities Corporation Limited.
<i>arrangement</i>	(as defined in section 59(10) of the <i>Act</i> (Approval for particular arrangements)) any kind of arrangement for the performance of a function of an <i>authorised person</i> ("A") which is entered into by A or any contractor of his with another <i>person</i> , including, in particular, that other <i>person's</i> appointment to an office, his becoming a partner, or his employment (whether under a contract of service or otherwise).
<i>arranger</i>	a <i>person</i> who is <i>arranging (bringing about) deals in investments, making arrangements with a view to transactions in investments, or agreeing to carry on any of those regulated activities.</i>
<i>arranging</i>	(in <i>MAR</i>) <i>arranging (bringing about) deals in investments, making arrangements with a view to transactions in investments or agreeing to carry on any of those regulated activities.</i>
<i>arranging (bringing about) deals in investments</i>	the <i>regulated activity</i> , specified in article 25(1) of the <i>Regulated Activities Order</i> , which is in summary: making arrangements for another <i>person</i> (whether as <i>principal</i> or agent) to <i>buy, sell</i> , subscribe for or underwrite a particular <i>investment</i> which is: <ul style="list-style-type: none"> (a) a <i>designated investment</i>; or (b) the <i>underwriting capacity of a Lloyd's syndicate</i>; or (c) <i>membership of a Lloyd's syndicate</i>; or (d) <i>rights to or interests in investments</i> in (b) or (c).
<i>arranging deals in contracts of insurance written at Lloyd's</i>	the <i>regulated activity</i> , specified in article 58 of the <i>Regulated Activities Order</i> (Arranging deals in contracts of insurance written at Lloyd's), carried on by the <i>Society of Lloyd's</i> of arranging deals in <i>contracts of insurance</i> written at Lloyd's.
<i>arranging safeguarding and administration of assets</i>	that part of <i>safeguarding and administering investments</i> which consists solely of arranging for one or more other <i>persons</i> to carry on both: <ul style="list-style-type: none"> (a) the safeguarding of assets belonging to another; and (b) the administration of those assets.
<i>asset identification rules</i>	(as defined in subsection 142(2) of the <i>Act</i> (Insurance business: regulations supplementing Authority's rules)) <i>rules</i> made by the <i>FSA</i> which require an <i>authorised person</i> who has <i>permission</i> to <i>effect</i> or <i>carry out contracts of insurance</i> to identify assets which belong to him and which are maintained in respect of a particular aspect of his business.
<i>assistance</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 18 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), providing either or both of the following benefits: <ul style="list-style-type: none"> (a) assistance (whether in cash or in kind) for <i>persons</i> who get into

	difficulties while travelling, while away from home or while away from their permanent residence;
	(b) assistance (whether in cash or in kind) for <i>persons</i> who get into difficulties otherwise than as in (a).
<i>associate</i>	(in relation to a <i>person</i> ("A")):
	(a) an <i>affiliated company</i> of A;
	(b) an <i>appointed representative</i> of A or of any <i>affiliated company</i> of A;
	(c) any other <i>person</i> whose business or domestic relationship with A or his <i>associate</i> might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.
<i>associated call option</i>	a right to acquire a particular amount of the <i>relevant security</i> or of any <i>associated security</i> at a future date at a particular <i>price</i> .
<i>associated security</i>	(a) an <i>associated call option</i> ;
	(b) a <i>security</i> of any description:
	(i) which is in all respects uniform with the <i>relevant security</i> ; or
	(ii) for which the <i>relevant security</i> may be exchanged or into which it may be converted; or
	(iii) which constitutes a right to obtain delivery of the <i>relevant security</i> ; or
	(iv) which the holder of the <i>relevant security</i> has, through his holding of that <i>security</i> , rights to acquire or to subscribe for; or
	(v) which is issued or guaranteed by the <i>issuer</i> , or by any guarantor, of the <i>relevant security</i> and the prevailing market <i>price</i> of which is, because of similarity with the <i>relevant security</i> in the terms and conditions which attach to each of them respectively, likely to have a material influence on the market <i>price</i> of the <i>relevant security</i> ; or
	(vi) which is a <i>certificate representing a certain security</i> in respect of the <i>relevant security</i> and which is in all material respects uniform with the <i>relevant security</i> in terms of value, size and duration.
<i>AUT</i>	an <i>authorised unit trust scheme</i> .
<i>AUTH</i>	the Authorisation manual.
<i>authorisation</i>	authorisation as an <i>authorised person</i> for the purposes of the <i>Act</i> .
<i>authorisation order</i>	an order made by the <i>FSA</i> :
	(a) in relation to an <i>AUT</i> under section 243 of the <i>Act</i> (Authorisation orders);

	(b) in relation to an <i>ICVC</i> under regulation 14 of the <i>OEIC Regulations</i> (Authorisation);
	as a result of which the <i>AUT</i> becomes authorised or the body becomes incorporated as an <i>ICVC</i> under regulation 3 of the <i>OEIC Regulations</i> (Open-ended investment company).
<i>authorised corporate director</i>	the <i>director</i> of an <i>ICVC</i> who is the authorised corporate <i>director</i> of the <i>ICVC</i> in accordance with <i>CIS</i> 7.2.1R (The directors).
<i>authorised fund</i>	an <i>ICVC</i> or an <i>AUT</i> .
<i>authorised fund manager</i>	an <i>ACD</i> or an <i>authorised unit trust manager</i> .
<i>authorised person</i>	(in accordance with section 31 of the <i>Act</i> (Authorised persons)) one of the following: <ul style="list-style-type: none"> (a) a <i>person</i> who has a <i>Part IV permission</i> to carry on one or more <i>regulated activities</i>; (b) an <i>incoming EEA firm</i>; (c) an <i>incoming Treaty firm</i>; (d) a <i>UCITS qualifier</i>; (e) an <i>ICVC</i>; (f) the <i>Society of Lloyd's</i>. (see also <i>GEN</i> 2.2.18R for the position of an <i>authorised partnership</i> or unincorporated association which is dissolved.)
<i>authorised professional firm</i>	a <i>professional firm</i> which is an <i>authorised person</i> .
<i>authorised UK representative</i>	(in relation to a <i>firm</i>) a <i>person</i> resident in the <i>United Kingdom</i> who is authorised to act generally, and to accept service of any <i>document</i> , on behalf of the <i>firm</i> .
<i>authorised unit trust manager</i>	a <i>manager</i> of an <i>AUT</i> .
<i>authorised unit trust scheme</i>	(as defined in section 237(3) of the <i>Act</i> (Other definitions)) a <i>unit trust scheme</i> which is authorised for the purposes of the <i>Act</i> by an <i>authorisation order</i> .
<i>authorised Voluntary Jurisdiction participant</i>	a participant in the <i>Voluntary Jurisdiction</i> who is an <i>authorised person</i> .
<i>AVC</i>	<i>additional voluntary contribution</i> .
<i>backwardation</i>	a situation in which <i>futures</i> prices are lower than cash prices.
<i>bank</i>	(a) a <i>firm</i> with a <i>Part IV permission</i> which includes <i>accepting deposits</i> , and: <ul style="list-style-type: none"> (i) which is a <i>credit institution</i>; or (ii) whose <i>Part IV permission</i> includes a <i>requirement</i> that it

	comply with <i>IPRU(BANK)</i> ; but which is not a <i>building society</i> , a <i>friendly society</i> or a <i>credit union</i> ;
	(b) an <i>EEA bank</i> .
<i>Banking Consolidation Directive</i>	the Council Directive of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions (No 2000/12/EC).
<i>base currency</i>	(in <i>CIS</i>) the currency specified: (a) in the <i>instrument of incorporation</i> of an <i>ICVC</i> as the currency in which its accounts are to be prepared; or (b) in the <i>trust deed</i> of an <i>AUT</i> as the base currency of the <i>AUT</i> .
<i>BCD</i>	<i>Banking Consolidation Directive</i> .
<i>BCD credit institution</i>	a <i>credit institution</i> that has its registered office (or, if it has no registered office, its head office) in an <i>EEA State</i> , excluding an institution to which the <i>BCD</i> does not apply under article 2(3) of the <i>BCD</i> .
<i>bearer certificate</i>	(in <i>CIS</i>) a certificate or other documentary evidence of title, for which provision is made in the <i>instrument constituting the scheme</i> , which indicates that: (a) the <i>holder</i> of the document is entitled to the <i>units</i> specified in it; and (b) no entry will be made on the <i>register</i> identifying the <i>holder</i> of those <i>units</i> .
<i>bearer form</i>	(in relation to a <i>client's</i> certificate, <i>share</i> transfer or other <i>document</i>) in a form signed by the <i>client</i> so that it enables a <i>designated investment</i> or <i>deposit</i> to which it relates to be sold, transferred, surrendered or dealt with in any other way without the need to obtain further written instructions and allows the <i>firm</i> access to the sale proceeds.
<i>behaviour</i>	any kind of conduct, including action or inaction.
<i>bid price</i>	the <i>price</i> at which a <i>person</i> could sell a <i>unit</i> in a <i>dual-priced AUT</i> or a <i>security</i> .
<i>body corporate</i>	(in accordance with section 417(1) of the <i>Act</i> (Definitions)) any body corporate, including a body corporate constituted under the law of a country or territory outside the <i>United Kingdom</i> .
<i>bonded investment</i>	a <i>designated investment</i> not held by a trustee when acting as a trustee: (a) which, except in the case of a <i>unit</i> , is one of the following: (i) a <i>readily realisable security</i> held for a <i>customer</i> , whether or not held under a discretionary arrangement; or (ii) a <i>designated investment</i> in <i>bearer form</i> ; or (iii) a <i>designated investment</i> held by a <i>nominee company</i> under the control of the <i>firm</i> or a <i>person</i> whom the <i>firm</i>

- controls; or
- (iv) a *designated investment* to which the title is recorded in electronic form;
- (b) which the *firm* may *sell* or procure the sale of without the signature or other action of the *customer* or an independent third party; and
 - (c) where the proceeds of such a sale are or could be payable to the *firm* or its *associate*.
- branch*
- (a) (in relation to a *credit institution*):
 - (i) a place of business which forms a legally dependent part of a *credit institution* and which carries out directly all or some of the transactions inherent in the business of *credit institutions*;
 - (ii) for the purposes of the *Banking Consolidation Directive*, any number of places of business set up in the same *EEA State* by a *credit institution* with headquarters in another *EEA State* are to be regarded as a single *branch*;
 - (b) (in relation to an *investment firm*):
 - (i) a place of business which is a part of an *investment firm*, not being the principal place of business, which has no separate legal personality and which provides *investment services* for which the *investment firm* has been authorised;
 - (ii) for the purposes of the *Investment Services Directive*, all the places of business set up in the same *EEA State* by an *investment firm* with headquarters in another *EEA State* are to be regarded as a single *branch*;
 - (c) (in relation to an *insurance undertaking*) any permanent presence of the *insurance undertaking* in an *EEA State* other than that in which it has its head office is to be regarded as a single *branch*, whether that presence consists of a single office which, or two or more offices each of which:
 - (i) is managed by the *insurance undertaking's* own staff; or
 - (ii) is an agency of the *insurance undertaking*; or
 - (iii) is managed by a *person* who is independent of the *insurance undertaking*, but has permanent authority to act for the *insurance undertaking* as an agency would.
- branded fund* a *life policy* or a *regulated collective investment scheme* other than a *broker fund* which is available as an *investment* only or mainly to the *clients* of a particular *independent intermediary*.
- broker* (in *MAR*) any person when dealing as agent.
- broker fund* (in relation to a fund for which the *firm* is or will be a *broker fund*

	<p><i>adviser</i>):</p> <ul style="list-style-type: none"> (a) an actual or notional fund of a <i>long-term insurer</i>, which contains or will contain contributions made or to be made by a <i>client</i> or <i>clients</i> of a <i>firm</i> in connection with a <i>life policy</i> or <i>policies</i>; (b) a fund of a <i>collective investment scheme</i>, which contains or will contain cash contributions made or to be made by a <i>client</i> or <i>clients</i> of a <i>firm</i> in connection with the purchase of <i>units</i> in the <i>scheme</i>.
<i>broker fund adviser</i>	<p>a <i>person</i> who has, or whose <i>associate</i> being an <i>authorised person</i> has, an arrangement with a <i>long-term insurer</i>, or with the <i>operator</i> of a <i>regulated collective investment scheme</i> or an <i>unregulated collective investment scheme</i>, under which it is to be expected that the <i>long-term insurer</i> or <i>operator</i> will take into account the advice of that <i>person</i> or his <i>associate</i>:</p> <ul style="list-style-type: none"> (a) in the case of a <i>long-term insurer</i>, on any matter likely to influence the performance of any of the <i>long-term insurer's</i> funds or of any <i>investment</i> issued by the <i>long-term insurer</i> into which cash contributions of that <i>person's customers</i> have been made; (b) in the case of an <i>operator</i>, on the composition of the property of the <i>collective investment scheme</i> into which cash contributions of that <i>person's customers</i> have been made; <p>in this definition, <i>associate</i> includes any <i>authorised person</i> in respect of whose services the first <i>person</i> receives any benefit or reward, either directly or indirectly, in connection with advice of the kind described in (a) and (b) given to a <i>long-term insurer</i> or to a <i>collective investment scheme operator</i>.</p>
<i>building society</i>	(as defined in section 119(1) of the Building Societies Act 1986) a building society incorporated (or deemed to be incorporated) under that Act.
<i>business day</i>	<ul style="list-style-type: none"> (1) (in relation to anything done or to be done in any part of the <i>United Kingdom</i>): <ul style="list-style-type: none"> (a) (except in <i>REC</i>) any <i>day</i> which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in that part of the <i>United Kingdom</i>; (b) (in <i>REC</i>) (as defined in section 167 of the Companies Act 1989) any <i>day</i> which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in any part of the <i>United Kingdom</i>. (2) (in relation to anything done or to be done by reference to a market outside the <i>United Kingdom</i>) any <i>day</i> on which that market is normally open for business.
<i>buying</i>	(in accordance with article 3(1) of the <i>Regulated Activities Order</i> (Interpretation)) any form of buying, including acquiring for valuable consideration.

<i>byelaw</i>	(in <i>LLD</i>) any Byelaw, direction, regulation, or other instrument made using the powers of the <i>Council</i> under section 6 of Lloyd's Act 1982 (including any regulation ratified by the <i>Council</i> by special resolution) and any condition or requirement made under any such Byelaw, direction, regulation or other instrument.
<i>CAD bank</i>	a <i>bank</i> which uses the <i>Capital Adequacy Directive</i> to measure the capital requirement on its trading book.
<i>cancellation</i>	(in <i>CIS</i>) (in relation to <i>units</i>) a cancellation of a <i>unit</i> by an <i>ICVC</i> or by the <i>trustee</i> of an <i>AUT</i> .
<i>cancellation rules</i>	<i>COB</i> 6.7 (Cancellation and withdrawal).
<i>candidate</i>	a <i>person</i> in respect of whom an application is made for approval under section 59 of the <i>Act</i> (Approval for particular arrangements).
<i>capacity transfer market</i>	any method of transferring capacity in <i>syndicates</i> , including capacity auctions, bilateral arrangements, capacity offers, minority buy-outs and conversion schemes.
<i>capital account</i>	(in <i>CIS</i>) an account relating to the <i>capital property</i> of an <i>authorised fund</i> .
<i>Capital Adequacy Directive</i>	the Council Directive of 15 March 1993 on capital adequacy of investment firms and credit institutions (No 93/6/EEC).
<i>capital at risk</i>	capital at risk as defined in <i>IPRU(INS)</i> 2.5R(7).
<i>capital property</i>	(in <i>CIS</i>) the <i>scheme property</i> , other than <i>income property</i> and any amount for the time being standing to the credit of the <i>distribution account</i> .
<i>capital redemption</i>	(in relation to a <i>class of contract of insurance</i>) capital redemption contracts where effected or carried out by a <i>person</i> who does not carry on a banking business, and otherwise carries on the <i>regulated activity</i> of <i>effecting</i> or <i>carrying out contracts of insurance</i> , as specified in paragraph VI of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance).
<i>carrying out contracts of insurance</i>	the <i>regulated activity</i> , specified in article 10(2) of the <i>Regulated Activities Order</i> (Effecting and carrying out contracts of insurance), of carrying out a <i>contract of insurance</i> as principal.
<i>cash component</i>	a <i>qualifying investment</i> prescribed in paragraph 8 of the <i>ISA Regulations</i> (Qualifying investments for a cash component).
<i>cash deposit ISA</i>	a <i>cash component</i> of an <i>ISA</i> which does not include the <i>qualifying investments</i> prescribed in paragraphs 8(2)(c), (d), (e) or (f) of the <i>ISA Regulations</i> .
<i>CAT standards</i>	the CAT standards for <i>ISAs</i> prescribed by the Treasury on 22 December 1998.
<i>causing dematerialised instructions to be</i>	the <i>regulated activity</i> , specified in article 45(2) of the <i>Regulated Activities Order</i> , which is in summary: causing dematerialised instructions relating to a <i>security</i> to be sent by means of a relevant system in respect of which an operator is approved under the 1995

<i>sent</i>	<p>Regulations where the <i>person</i> causing them to be sent is a system-participant;</p> <p>in this definition:</p> <p>(a) "the 1995 Regulations" means the Uncertificated Securities Regulations 1995 (SI 1995/3272);</p> <p>(b) "dematerialised instruction", "operator" and "system-participant" have the meaning given by regulation 3 of the 1995 Regulations.</p>
<i>central assets</i>	<p>(in <i>LLD</i>) assets that the <i>Society</i> owns and amounts that <i>members</i> are liable to pay to the <i>Society</i> (or may by resolution of the <i>Council</i> be liable to pay) as contributions to the <i>Central Fund</i> (excluding amounts which, if paid by a <i>member</i>, would cause his assets to fall short (or shorter) of the <i>required amount</i>).</p>
<i>Central Fund</i>	<p>the Central Fund established under Lloyd's Central Fund Byelaw (No 4 of 1986) and the New Central Fund established under Lloyd's New Central Fund Byelaw (No 23 of 1996).</p>
<i>certificate representing certain securities</i>	<p>the <i>investment</i> specified in article 80 of the <i>Regulated Activities Order</i> (Certificates representing certain securities), which is in summary: a certificate or other instrument which confers contractual or property rights (other than rights consisting of <i>options</i>):</p> <p>(a) in respect of any <i>share, debenture, government and public security or warrant</i> held by a <i>person</i> other than the <i>person</i> on whom the rights are conferred by the certificate or instrument; and</p> <p>(b) the transfer of which may be effected without requiring the consent of that <i>person</i>;</p> <p>but excluding any certificate or other instrument which confers rights in respect of two or more <i>investments</i> issued by different <i>persons</i> or in respect of two or more different <i>government and public securities</i> issued by the same <i>person</i>.</p>
<i>CFTC</i>	<p>the Commodity Futures Trading Commission.</p>
<i>charge</i>	<p>any <i>fee</i> or charge made to a <i>client</i> in connection with <i>designated investment business</i>, whether levied by the <i>firm</i> or any other <i>person</i>, including a <i>mark-up or mark-down</i>.</p>
<i>chargeable case</i>	<p>any complaint referred to the <i>Financial Ombudsman Service</i>, apart from those where the <i>Ombudsman</i> considers it apparent from the complaint received, and from any <i>final response</i> which has been issued by the <i>firm</i>, that the complaint should not proceed because:</p> <p>(a) the complainant is not an <i>eligible complainant</i> in accordance with <i>DISP 2</i>; or</p> <p>(b) the complaint does not fall within the jurisdiction of the <i>Financial Ombudsman Service</i> (as described in <i>DISP 2</i>) or falls outside the time limits set out in <i>DISP 2.3</i> (Time limits for referral of complaints to the Financial Ombudsman Service); or</p>

	(c) the <i>Ombudsman</i> considers that the complaint should be dismissed without consideration of its merits under <i>DISP</i> 3.3 (Dismissal of complaints without consideration of the merits); or
	(d) the <i>Ombudsman</i> considers, at any stage, that the complaint should be dismissed under <i>DISP</i> 3.3.1R(2) on the grounds that it is frivolous or vexatious.
<i>chief executive</i>	(1) (in relation to an undertaking whose principal place of business is within the <i>United Kingdom</i>) the <i>person</i> who, alone or jointly with one or more others, is responsible under the immediate authority of the <i>directors</i> for the conduct of the whole of its business.
	(2) (in relation to an undertaking whose principal place of business is outside the <i>United Kingdom</i>) the <i>person</i> who, alone or jointly with one or more others, is responsible for the conduct of its business within the <i>United Kingdom</i> .
<i>chief executive function</i>	<i>controlled function</i> CF3 in the <i>table of controlled functions</i> , described more fully in <i>SUP</i> 10.6.11R.
<i>Chinese wall</i>	an arrangement that requires information held by a <i>person</i> in the course of carrying on one part of its business to be withheld from, or not to be used for, <i>persons</i> with or for whom it acts in the course of carrying on another part of its business.
<i>CIS</i>	the Collective Investment Schemes sourcebook.
<i>claim</i>	(1) (in <i>COMP</i>) a valid claim made in respect of a civil liability owed by a <i>relevant person</i> to the claimant.
	(2) (in <i>LLD</i> , <i>SUP</i> and <i>TC</i>) a claim under a <i>contract of insurance</i> .
<i>class</i>	(1) (in <i>AUTH</i> , <i>IPRU(FSOC)</i> , <i>IPRU(INS)</i> , <i>LLD</i> and <i>SUP</i>) (in relation to a <i>contract of insurance</i>) any class of <i>contract of insurance</i> listed in Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of insurance).
	(2) (in <i>CIS</i>):
	(a) a particular class of <i>units</i> of an <i>authorised fund</i> ; or
	(b) all of the <i>units</i> relating to a single <i>sub-fund</i> ; or
	(c) a particular class of <i>units</i> relating to a single <i>sub-fund</i> .
	(3) (in <i>COB</i>) a particular category or type of <i>packaged product</i> .
<i>class meeting</i>	(in <i>CIS</i>) a separate meeting of <i>holders</i> of a <i>class</i> of <i>units</i> .
<i>clearing firm</i>	a <i>firm</i> which assumes primary responsibility (including legal liability) for the execution and settlement of transactions for <i>clients</i> .
<i>clearing house</i>	a clearing house through which transactions on an exchange may be cleared.
<i>client</i>	(1) (except in <i>ML</i> and <i>PROF</i>) any <i>person</i> with or for whom a <i>firm</i> conducts or intends to conduct <i>designated investment business</i> or any other <i>regulated activity</i> ; and:

- (a) every client is a *customer* or a *market counterparty*;
 - (b) "client" includes:
 - (i) a potential client;
 - (ii) a client of an *appointed representative* of a *firm* with or for whom the *appointed representative* acts or intends to act in the course of business for which the *firm* has accepted responsibility under section 39 of the *Act* (Exemption of appointed representatives);
 - (iii) a *collective investment scheme* even if it does not have separate legal personality;
 - (iv) if a *person* ("C1"), with or for whom the *firm* is conducting or intends to conduct *designated investment business*, is acting as agent for another *person* ("C2"), either C1 or C2 in accordance with COB 4.1.5R (Agent as client);
 - (c) "client" does not include:
 - (i) a trust beneficiary;
 - (ii) a *corporate finance contact*;
 - (iii) a *venture capital contact*.
- (2) (in *ML*) (in relation to a *relevant firm*) any *person* engaged in, or who has had contact with the *relevant firm* with a view to engaging in, any *transaction* with that *relevant firm*:
- (a) on his own behalf; or
 - (b) as agent for or on behalf of another.
- (3) (in *PROF*) (as defined in section 328(8) of the *Act* (Directions in relation to the general prohibition)) (in relation to *members* of a profession providing financial services under Part XX of the *Act* (Provision of Financial Services by Members of the Professions)):
- (a) a *person* who uses, has used or may be contemplating using, any of the services provided by the *member* of a profession in the course of carrying on *exempt regulated activities* (including, where the *member* of the profession is acting in his capacity as a trustee, a *person* who is, has been or may be a beneficiary of the trust); or
 - (b) a *person* who has rights or interests which are derived from, or otherwise attributable to, the use of any such services by other *persons*; or
 - (c) a *person* who has rights or interests which may be adversely affected by the use of any such services by *persons* acting on his behalf or in a fiduciary capacity in relation to him.

<i>client agreement</i>	<i>terms of business</i> which have been signed by the <i>client</i> or to which the <i>client</i> has consented in writing.
<i>client asset rules</i>	COB 9, comprising the <i>custody rules</i> , <i>mandate rules</i> , <i>client money rules</i> , <i>collateral rules</i> and <i>client money distribution rules</i> .
<i>client bank account</i>	(a) an account at a bank which: <ul style="list-style-type: none"> (i) holds the <i>money</i> of one or more <i>clients</i>; (ii) is in the name of the <i>firm</i>; (iii) includes in its title an appropriate description to distinguish the <i>money</i> in the account from the <i>firm's money</i>; and (iv) is a current or a deposit account; or (b) a money market deposit of <i>client money</i> which is identified as being <i>client money</i> .
<i>client money</i>	subject to the <i>client money rules</i> , <i>money</i> of any currency which, in the course of carrying on <i>designated investment business</i> , a <i>firm</i> holds in respect of any <i>investment agreement</i> entered into, or to be entered into, with or for a <i>client</i> , or which a <i>firm</i> treats as <i>client money</i> in accordance with the <i>client money rules</i> .
<i>client money distribution rules</i>	COB 9.5.
<i>client money rules</i>	COB 9.3.
<i>client transaction account</i>	(in relation to a <i>firm</i> and an exchange, <i>clearing house</i> or <i>intermediate broker</i>) an account maintained by the exchange, <i>clearing house</i> or <i>intermediate broker</i> , as the case may be, in respect of transactions in <i>contingent liability investments</i> undertaken by the <i>firm</i> with or for its <i>clients</i> .
<i>close links</i>	(1) (except in SUP 3 (Auditors) and SUP 4 (Actuaries)) (in accordance with paragraph 3(2) of Schedule 6 to the <i>Act</i> (Close links)) the relationship between a <i>person</i> ("A") and another <i>person</i> ("CL") which exists if: <ul style="list-style-type: none"> (a) CL is a <i>parent undertaking</i> of A; or (b) CL is a <i>subsidiary undertaking</i> of A; or (c) CL is a <i>parent undertaking</i> of a <i>subsidiary undertaking</i> of A; or (d) CL is a <i>subsidiary undertaking</i> of a <i>parent undertaking</i> of A; or (e) CL owns or controls 20% or more of the voting rights or capital of A; or (f) A owns or controls 20% or more of the voting rights or capital of CL. (2) (in SUP 3 (Auditors) and SUP 4 (Actuaries)) (in accordance with

section 343(8) of the *Act* (Information given by auditor or actuary to the Authority: persons with close links) the relationship in (1), disregarding (e) and (f).

<i>close out</i>	(in <i>CIS</i> and <i>COB</i>) enter into a further transaction under which the obligation to deliver or receive which arises or may, at the option of the other party to the transaction, arise under the original transaction is offset by an equivalent and opposite obligation or right to receive or deliver.
<i>close relative</i>	(as defined in article 3(1) of the <i>Regulated Activities Order</i> and article 2(1) of the <i>Financial Promotion Order</i>) (in relation to any <i>person</i>): (a) his spouse; (b) his children and step-children, his parents and step-parents, his brothers and sisters and his step-brothers and step-sisters; and (c) the spouse of any <i>person</i> within (b).
<i>closed</i>	(in <i>LLD</i>) (in relation to a <i>syndicate year</i>) closed by <i>reinsurance to close</i> in accordance with <i>byelaws</i> , either into another <i>syndicate year</i> or into an <i>insurer</i> approved by the <i>Council</i> for the purpose.
<i>closed into</i>	(in <i>LLD</i>) (in relation to two <i>syndicate years</i>) closed into another <i>syndicate year</i> by way of a contract of <i>reinsurance to close</i> into that other <i>syndicate year</i> , either directly or through a succession of such contracts.
<i>closing date</i>	the date specified in the earliest relevant <i>public announcement</i> of the <i>offer</i> as the last date for acceptance of the <i>offer</i> , or, if no such date is specified, then the date on which the <i>issuer</i> (or seller) of the <i>securities</i> offered receives any of the proceeds of the <i>offer</i> .
<i>COAF</i>	the part of the <i>Handbook</i> in Redress which has the title Complaints against the FSA.
<i>COB</i>	the Conduct of Business sourcebook.
<i>Code of Market Conduct</i>	the provisions in <i>MAR</i> 1 indicated by an "E" or "C" in the margin or heading, issued by the <i>FSA</i> as required by section 119 of the <i>Act</i> (The Code).
<i>Code of Practice for Approved Persons</i>	the provisions in <i>APER</i> 3 and <i>APER</i> 4 indicated by an "E" in the margin or heading, the purpose of which is to help determine whether or not an <i>approved person's</i> conduct complies with the <i>Statements of Principle</i> and which are issued by the <i>FSA</i> under section 64(2) of the <i>Act</i> (Conduct: statements and codes).
<i>collateral</i>	(1) (in <i>CIS</i>) any form of security, guarantee or indemnity provided by way of security for the discharge of any liability arising from a transaction. (2) (in <i>COB</i>) any of the following: (a) an <i>investment</i> specified in articles 76 to 81 of the <i>Regulated Activities Order</i> ; that is:

- (i) *shares* (article 76);
- (ii) *debentures* (article 77);
- (iii) *government and public securities* (article 78);
- (iv) *warrants* (article 79);
- (v) *certificates representing certain securities* (article 80);
- (vi) *units* (article 81); or
- (b) *money*; or
- (c) a *commodity* warrant (however title is recorded or evidenced);

which belongs to a *client* and which is held or controlled by the *firm* under the terms of a deposit, pledge, charge or other security arrangement.

<i>collateral rules</i>	<i>COB 9.4.</i>
<i>collective insurance</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph VIII of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance), of a kind referred to in article 1(2)(e) of the <i>First Life Directive</i> ("the operations carried out by insurance companies such as those referred to in Chapter 1, Title 4 of Book IV of the French "Code des assurances"").
<i>collective investment scheme</i>	a collective investment scheme, as defined in section 235 of the <i>Act</i> (Collective Investment Schemes), which is in summary: <ul style="list-style-type: none"> (a) any arrangements with respect to property of any description, including money, the purpose or effect of which is to enable <i>persons</i> taking part in the arrangements (whether by becoming owners of the property or any part of it or otherwise) to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income; and (b) which are not excluded by the Financial Services and Markets Act (Collective Investment Schemes) Order 2001 (SI 2001/1062).
<i>commencement</i>	the beginning of the <i>commencement day</i> .
<i>commencement day</i>	the <i>day</i> on which section 19 of the <i>Act</i> (The general prohibition) comes into force.
<i>commission</i>	any form of commission, including a benefit of any kind, offered or given in connection with <i>designated investment business</i> .
<i>commodity</i>	a physical asset (other than a financial instrument or cash) which is capable of delivery.
<i>commodity future</i>	a <i>future</i> relating to a <i>commodity</i> .

<i>commodity option</i>	an <i>option</i> relating to a <i>commodity</i> .
<i>communicate</i>	(in relation to a <i>financial promotion</i>) (in accordance with section 21(13) of the <i>Act</i> (Restrictions on financial promotion) and article 6(d) of the <i>Financial Promotion Order</i> (Interpretation: communications)) to communicate in any way, including causing a communication to be made or directed.
<i>Community Co-Insurance Directive</i>	the Council Directive of 30 May 1978 on the coordination of laws, regulations and administrative provisions relating to Community co-insurance (No 78/473/EEC).
<i>community co-insurance operation</i>	an operation to which the <i>Community Co-Insurance Directive</i> applies, as modified by article 26 of the <i>Second Non-Life Directive</i> .
<i>COMP</i>	the Compensation sourcebook.
<i>company</i>	any <i>body corporate</i> .
<i>Company Announcements Office</i>	the Company Announcements Office of the London Stock Exchange, the information dissemination provider approved by the <i>UKLA</i> .
<i>compensation scheme</i>	the Financial Services Compensation Scheme established under section 213 of the <i>Act</i> (The compensation scheme) for compensating <i>persons</i> in cases where <i>authorised persons</i> and <i>appointed representatives</i> are unable, or are likely to be unable, to satisfy <i>claims</i> against them.
<i>competent authority</i>	(1) (in relation to admission to an <i>official listing</i>): <ul style="list-style-type: none"> (a) the authority designated under Schedule 8 to the <i>Act</i> (Transfer of functions under Part VI (Official listing)) as responsible for admitting securities to, and for removing securities from, the <i>official list</i>; for the time being, the <i>FSA</i> in its capacity as such; (b) an authority exercising functions corresponding to those in (a) in another <i>EEA State</i>. (2) (in relation to the exercise of an <i>EEA right</i>) a competent authority for the purposes of the relevant <i>Single Market Directive</i> .
<i>complaint</i>	(in <i>COAF</i>) any expression of dissatisfaction about the manner in which the <i>FSA</i> has carried out its statutory functions other than its legislative functions.
<i>Complaints Commissioner</i>	the <i>person</i> appointed by the <i>FSA</i> under <i>COAF</i> 1.3.1G (The Complaints Commissioner) to carry out the functions conferred on him under the <i>complaints scheme</i> .
<i>complaints investigator</i>	(1) (in relation to a <i>UK RIE</i>) the independent <i>person</i> appointed under arrangements referred to in paragraph 9(3) of the Schedule to the <i>Recognition Requirements Regulations</i> to investigate a complaint and to report on the result of his investigation to that <i>RIE</i> and to the complainant. <ul style="list-style-type: none"> (2) (in relation to a <i>UK RCH</i>) the independent <i>person</i> appointed

under arrangements referred to in paragraph 23(3) of the Schedule to the *Recognition Requirements Regulations* to investigate a complaint and to report on the result of his investigation to that *RCH* and to the complainant.

- complaints scheme* the arrangements made by the *FSA* under paragraphs 7 and 8 of Schedule 1 to the *Act* (The Financial Services Authority) for the investigation of *complaints* against the *FSA* arising in connection with the exercise of, or failure to exercise, any of its functions (other than its legislative functions) under the *Act*.
- compliance oversight function* *controlled function* CF10 in the *table of controlled functions*, described more fully in *SUP* 10.7.8R.
- Compulsory Jurisdiction* the jurisdiction of the *Financial Ombudsman Service* to which *firms* are compulsorily subject.
- COND* the part of the *Handbook* in High Level Standards which has the title Threshold Conditions.
- connected company* (in *LLD*) (in relation to a *body corporate*):
- (a) that *body corporate's holding company*;
 - (b) a *subsidiary* of that *body corporate*;
 - (c) a *subsidiary* of the *holding company* of that *body corporate*.
- connected person*
- (1) (in relation to the *FSA's* consideration of an application for, or of whether to vary or cancel, a *Part IV permission*) (in accordance with section 49(1) of the *Act* (Persons connected with an applicant)) any *person* appearing to the *FSA* to be, or likely to be, in a relationship with the applicant or *person* given *permission*, which is relevant.
 - (2) (in relation to the *FSA's* power to gather information under section 165 of the *Act* (Authority's power to require information)) (in accordance with section 165(11) of the *Act*) a *person* who has, or has at any relevant time had, the following relationship with an *authorised person* ("A"):
 - (a) he is a member of A's *group*;
 - (b) he is a *controller* of A;
 - (c) he is a member of a *partnership* of which A is a member;
 - (d) he is or has been an employee of A;
 - (e) if A is a *body corporate*, he is or has been an *officer*, or *manager* or agent of A or of a *parent undertaking* of A;
 - (f) if A is a *partnership*, he is or has been a member, *manager* or agent of A;
 - (g) if A is an unincorporated association of *persons* which is neither a *partnership* nor an unincorporated *friendly society*, he is or has been an *officer*, *manager*, or agent of A;

- (h) if A is a *friendly society*, he is or has been an officer or manager of A ("officer" and "manager" having the same meaning as in section 119(1) of the Friendly Societies Act 1992);
 - (i) if A is a *building society*, he is or has been an officer of A ("officer" having the same meaning as in section 119(1) of the Building Societies Act 1986);
 - (j) if A is an individual, he is or has been an agent of A.
- (3) (in relation to the FSA's powers of investigation under sections 171 and 172 of the *Act* (Powers of persons appointed under section 167; Additional power of persons appointed as a result of section 168(1) or (4))) (in accordance with section 171(4) of the *Act*) a *person* who has, or has at any relevant time had, the following relationship with a *person* under investigation ("P"):
- (a) he has the relationship specified in any of paragraphs (2) (a), (b) or (d) to (j) to P (where references in those paragraphs to A are taken to be references to P);
 - (b) it is a *partnership* of which P is a member;
 - (c) he is the partner, *manager*, employee, agent, *appointed representative*, banker, auditor, actuary or solicitor of:
 - (i) P; or
 - (ii) a *parent undertaking* of P; or
 - (iii) a *subsidiary undertaking* of P; or
 - (iv) a *subsidiary undertaking* of a *parent undertaking* of P; or
 - (v) a *parent undertaking* of a *subsidiary undertaking* of P.

consent notice a notice given by the *FSA* to a *Host State regulator* under paragraph 19(4) (Establishment) of Part III of Schedule 3 to the *Act* (Exercise of Passport Rights by UK firms).

constable a police officer in the *United Kingdom* or a *person* commissioned by the Commissioners of Customs and Excise.

consumer (1) (in relation to the *FSA's* power to make general *rules* (section 138 of the *Act* (General rule-making power))) the approval requirements for *controllers* (section 186 of the *Act* (Objection to acquisition of control)), the publication of notices (section 391 of the *Act* (Publication)) and the exercise of *Treaty rights* (Schedule 4 to the *Act* (Treaty rights))) (as defined in section 138(7) of the *Act* (General rule-making power)) a *person*:

- (a) who uses, has used, or is or may be contemplating using, any of the services provided by:
 - (i) an *authorised person* in carrying on *regulated*

activities; or

- (ii) a *person* acting as an *appointed representative*; or
- (b) who has rights or interests which are derived from, or are otherwise attributable to the use of, any such services by another *person*; or
- (c) who has rights or interests which may be adversely affected by the use of any such services by a *person* acting on his behalf or in a fiduciary capacity in relation to him; or
- (d) (in relation to the *FSA's* power to make general *rules*) a *person* within the extended definition of consumer in article 3 of the Financial Services and Markets Act 2000 (Consequential and Transitional Provisions) (Miscellaneous) Order 2001 (SI 2001/1821) (Application of definition of "consumer" to users of regulated services before commencement);

for the purposes of this definition:

- (A) if an *authorised person* is carrying on a *regulated activity* in his capacity as a trustee, the *persons* who are, have been or may be beneficiaries of the trust are to be treated as *persons* who use, have used or are or may be contemplating using services provided by the *authorised person* in his carrying on of that activity;
- (B) a *person* who deals with an *authorised person* in the course of the *authorised person's* carrying on of a *regulated activity* is to be treated as using services provided by the *authorised person* in carrying on those activities.
- (2) (in relation to the protection of consumers objective (section 5 of the *Act* (The protection of consumers)) and independent inquiries (section 14 of the *Act* (Cases in which the Treasury may arrange independent inquiries))) (as defined in sections 5(3) and 14(5) of the *Act*) a *person*:
 - (a) within (1); or
 - (b) who, in relation to *regulated activities* carried on otherwise than by an *authorised person*, would be a consumer within (1) if the activities were carried on by an *authorised person*.
- (3) (in relation to the establishment and maintenance of the *Consumer Panel* (section 10 of the *Act* (The Consumer Panel))) (as defined in section 10(7) of the *Act*) a *person* within (2) other than an *authorised person*.

consumer credit prohibition

(as defined in section 203(3) of the *Act* (Power to prohibit the carrying on of Consumer Credit Act business)) a prohibition on carrying on, or purporting to carry on, in the *United Kingdom* any Consumer Credit Act business which consists of or includes carrying on one or more

	<i>listed activities or investment services.</i>
<i>Consumer Panel</i>	the panel of <i>persons</i> which section 10 of the <i>Act</i> (The Consumer Panel) requires the <i>FSA</i> to establish and maintain, as part of its arrangements for consultation under section 8, to represent the interests of <i>consumers</i> .
<i>contingent liability investment</i>	a <i>derivative</i> under the terms of which the <i>client</i> will or may be liable to make further payments (other than <i>charges</i> , and whether or not secured by <i>margin</i>) when the transaction falls to be completed or upon the earlier <i>closing out</i> of his position.
<i>contract for differences</i>	the <i>investment</i> , specified in article 85 of the <i>Regulated Activities Order</i> (Contracts for differences etc), which is rights under: <ul style="list-style-type: none"> (a) a contract for differences; or (b) any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in: <ul style="list-style-type: none"> (i) the value or price of property of any description; or (ii) an index or other factor designated for that purpose in the contract.
<i>contract of insurance</i>	<ul style="list-style-type: none"> (1) (in relation to a <i>specified investment</i>) the <i>investment</i>, specified in article 75 of the <i>Regulated Activities Order</i> (Contracts of insurance), which is rights under a contract of insurance in (2). (2) (in relation to a contract) (in accordance with article 3(1) of the <i>Regulated Activities Order</i> (Interpretation)) any contract of insurance which is a <i>long-term insurance contract</i> or a <i>general insurance contract</i>, including: <ul style="list-style-type: none"> (a) fidelity bonds, performance bonds, administration bonds, bail bonds, customs bonds or similar contracts of guarantee, where these are: <ul style="list-style-type: none"> (i) effected or carried out by a <i>person</i> not carrying on a banking business; (ii) not effected merely incidentally to some other business carried on by the <i>person</i> effecting them; and (iii) effected in return for the payment of one or more premiums; (b) <i>tontines</i>; (c) <i>capital redemption</i> contracts or <i>pension fund management</i> contracts, where these are effected or carried out by a <i>person</i> who: <ul style="list-style-type: none"> (i) does not carry on a banking business; and (ii) otherwise carries on the <i>regulated activity</i> of <i>effecting</i> or <i>carrying out contracts of insurance</i>; (d) contracts to pay annuities on human life;

- (e) contracts of a kind referred to in article 1(2)(e) of the *First Life Directive* (Collective insurance etc); and
- (f) contracts of a kind referred to in article 1(3) of the *First Life Directive* (Social insurance);

in this definition, "annuities on human life" does not include superannuation allowances and annuities payable out of any fund applicable solely to the relief and maintenance of *persons* engaged, or who have been engaged, in any particular profession, trade or employment, or of the dependants of such *persons*.

<i>contractually based investment</i>	(in accordance with article 3(1) of the <i>Regulated Activities Order</i> (Interpretation)): <ul style="list-style-type: none"> (a) a <i>life policy</i>; (b) an <i>option, future or contract for differences</i>; (c) <i>rights to or interests in an investment</i> falling within (a) or (b).
<i>contribution group</i>	one of the groups listed in <i>COMP 13.6.7R</i> which are groups of <i>participant firms</i> which share the costs of funding compensation from <i>claims</i> arising from <i>firms in default</i> which carry on similar business.
<i>control</i>	(in relation to the acquisition, increase or reduction of control of a <i>firm</i>) the relationship between a <i>person</i> and the <i>firm</i> or other <i>undertaking</i> of which the <i>person</i> is a <i>controller</i> .
<i>controlled activity</i>	an activity specified in Part I of Schedule 1 to the <i>Financial Promotion Order</i> (Controlled activities).
<i>controlled agreement</i>	(as defined in section 30 of the <i>Act</i> (Enforceability of agreements resulting from unlawful communications)) an agreement the making or performance of which by either party constitutes a <i>controlled activity</i> .
<i>controlled function</i>	a function, relating to the carrying on of a <i>regulated activity</i> by a <i>firm</i> , which is specified, under section 59 of the <i>Act</i> (Approval for particular arrangements), in the <i>table of controlled functions</i> .
<i>controlled investment</i>	(in accordance with section 21(10) of the <i>Act</i> (Restrictions on financial promotion) and article 4 of the <i>Financial Promotion Order</i> (Definitions of controlled activities and controlled investments)) an <i>investment</i> specified in Part II of Schedule 1 to the <i>Financial Promotion Order</i> (Controlled investments).
<i>controller</i>	(in accordance with section 422 of the <i>Act</i> (Controller)) (in relation to a <i>firm</i> or other <i>undertaking</i> ("A")) a <i>person</i> who falls within any of the following cases; the cases are where the person: <ul style="list-style-type: none"> (a) holds 10% or more of the shares in A; or (b) is able to exercise significant influence over the management of A through his shareholding in A; or (c) holds 10% or more of the shares in a <i>parent undertaking</i> ("P") of A; or (d) is able to exercise significant influence over the management of P

through his shareholding in P; or

- (e) is entitled to exercise, or control the exercise of, 10% or more of the *voting power* in A; or
- (f) is able to exercise significant influence over the management of A through his *voting power* in A; or
- (g) is entitled to exercise, or control the exercise of, 10% or more of the *voting power* in P; or
- (h) is able to exercise significant influence over the management of P through his *voting power* in P;

in this definition:

- (i) "the person" means:
 - (A) the *person*; or
 - (B) any of the *person's* associates; or
 - (C) the *person* and any of his associates;
- (ii) "associate", in relation to a *person* ("H") holding shares in an *undertaking* ("C") or entitled to exercise or control the exercise of *voting power* in relation to another *undertaking* ("D"), means:
 - (A) the spouse of H;
 - (B) a child or stepchild of H (if under 18);
 - (C) the trustee of any settlement under which H has a life interest in possession (or in Scotland a life interest);
 - (D) an *undertaking* of which H is a director;
 - (E) a *person* who is an employee or partner of H;
 - (F) if H is an *undertaking*:
 - (I) a director of H;
 - (II) a *subsidiary undertaking* of H;
 - (III) a director or employee of such a *subsidiary undertaking*; and
 - (G) if H has with any other *person* an agreement or arrangement with respect to the acquisition, holding or disposal of shares or other interests in C or D or under which they undertake to act together in exercising their *voting power* in relation to C or D, that other *person*;
- (iii) "settlement" includes any disposition or arrangement under which property is held on trust (or subject to a comparable obligation);
- (iv) "shares" means:
 - (A) in relation to an *undertaking* with a share capital,

allotted shares;

(B) in relation to an *undertaking* with capital but no share capital, rights to share in the capital of the *undertaking*;

(C) in relation to an *undertaking* without capital, interests:

(I) conferring any right to share in the profits, or liability to contribute to the losses, of the *undertaking*; or

(II) giving rise to any obligation to contribute to the debts or expenses of the *undertaking* in the event of a winding up.

(see also *50% controller*.)

core investment service a service listed in section A of the Annex to the *ISD*, the text of which is set out in Schedule 2 to the *Regulated Activities Order* (Annex to the Investment Services Directive).

core provision (in *LLD*) (as defined in section 316(3) of the *Act* (Direction by Authority)) a provision of the *Act* mentioned in section 317 of the *Act* (The core provisions) which applies to the carrying on of an insurance market activity by a *member*, or the *members* of the *Society* taken together, if the *FSA* so directs.

corporate finance adviser function *controlled function* CF23 in the *table of controlled functions*, described more fully in *SUP* 10.10.13R.

corporate finance advisory firm a *firm* whose *permission* includes a *requirement* that the *firm* must not conduct *designated investment business* other than *corporate finance business*.

corporate finance business (a) *designated investment business* carried on by a *firm* with or for:

- (i) any *issuer*, holder or owner of *designated investments*, if that business relates to the *offer*, issue, underwriting, repurchase, exchange or redemption of, or the variation of the terms of, those *investments*, or any related matter;
- (ii) any *market counterparty* or *intermediate customer*, or other *body corporate*, *partnership* or supranational organisation, if that business relates to the manner in which, or the terms on which, or the *persons* by whom, any business, activities or undertakings relating to it, or any *associate*, are to be financed, structured, managed, controlled, regulated or reported upon;
- (iii) any *person* in connection with:
 - (A) a proposed or actual *takeover or related operation* by or on behalf of that *person*, or involving *investments* issued by that *person* (being a *body corporate*), its *holding company*, *subsidiary* or *associate*; or

- (B) a merger, de-merger, reorganisation or reconstruction involving any *investments* issued by that *person* (being a *body corporate*), its *holding company*, *subsidiary* or *associate*;
- (iv) any shareholder or prospective shareholder of a *body corporate* established or to be established for the purpose of effecting a *takeover or related operation*, where that business is in connection with that *takeover or related operation*;
- (v) any *person* who, acting as a *principal* for his own account:
 - (A) is involved in negotiations or decisions relating to the commercial, financial or strategic intentions or requirements of a business or prospective business; or
 - (B) (provided he is acting otherwise than solely in his capacity as an investor) assists the interests of another *person* with or for whom the *firm*, or another *authorised person* or *overseas person*, is undertaking business as specified in (a)(i), (ii), (iii) or (iv), by himself undertaking all or part of any transactions involved in such business;
- (vi) any *person* undertaking business with or for a *person* as specified in (a)(i), (ii), (iii), (iv) or (v) in respect of activities described in those sub-paragraphs;
- (b) *designated investment business* carried on by a *firm* as a *principal* for its own account where such business:
 - (i) is in the course of, or arises out of, activities undertaken in accordance with (a); and
 - (ii) does not involve transactions with or for, or *advice on investments* to, any other *person* who is a *private customer* in respect of such business;
- (c) *designated investment business* carried on by a *firm* as *principal* for its own account if such business:
 - (i) is in the course of, or arises out of:
 - (A) the *offer*, issue, underwriting, repurchase, exchange or redemption of, or the variation of the terms of, *shares*, share warrants, *debentures* or debenture warrants issued by the *firm*, or any related matter; or
 - (B) a proposed or actual *takeover or related operation* by or on behalf of the *firm*, or involving *shares*, share warrants, *debentures* or debenture warrants issued by the *firm*; or
 - (C) a merger, de-merger, reorganisation or reconstruction

involving any *shares*, share warrants, *debentures* or debenture warrants issued by the *firm*; and

- (ii) does not involve *advice on investments* to any *person* who is a *private customer*;

in this definition, “share warrants” and “debenture warrants” mean any *warrants* which relate to *shares* in the *firm* concerned or, as the case may be, *debentures* issued by the *firm*.

corporate finance contact

(when a *firm* carries on *designated investment business* with or for a *person* in the course of or as a result of either carrying on *corporate finance business* with or for a *client*, or carrying on *corporate finance business* for the *firm's* own account) that *person* in connection with that *designated investment business* if:

- (a) the *firm* does not behave in a way towards that *person* which might reasonably be expected to lead that *person* to believe that he is being treated as a *client*; and
- (b) the *firm* clearly indicates to that *person* that it:
 - (i) is not acting for him; and
 - (ii) will not be responsible to him for providing protections afforded to *clients* of the *firm* or be advising him on the relevant transaction.

Council

(in *LLD*) the Council constituted by section 3 of Lloyd's Act 1982.

counterparty

(in *LLD*) (in relation to the *Society*, a *syndicate* or *member*):

- (a) any individual; or
- (b) any unincorporated body of *persons*; or
- (c) any *company* which is not a member of a *group*; or
- (d) any *group* of *companies*, excluding any *companies* within the *group* which are *subsidiary undertakings* of the *Society*, a *syndicate* or *member*; or
- (e) any government of a State or any public bodies, local authorities or nationalised industries of a State;

in which the *Society*, a *syndicate* or *member* has made *investments* or against which it has rights under a contract entered into by the *Society*, *syndicate* or *member*.

covered

(in *LLD*) (in relation to a contract) not requiring a significant provision to be made in respect of it.

CRED

the Credit unions sourcebook.

credit

- (1) (except in relation to a *class* of *contract of insurance*) any kind of loan, deferment of repayment of any loan or of interest on any loan, guarantee or indemnity, and any other kind of accommodation or facility in the nature of credit.
- (2) (in relation to a *class* of *contract of insurance*) the *class* of

contract of insurance, specified in paragraph 14 of Part I of Schedule 1 to the *Regulated Activities Order* (Contracts of general insurance), against risks of loss to the *persons* insured arising from the insolvency of debtors of theirs or from the failure (otherwise than through insolvency) of debtors of theirs to pay their debts when due.

<i>credit institution</i>	(as defined in article 1(1) of the <i>BCD</i>) an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account. (see also <i>BCD credit institution</i> .)
<i>credit insurance business</i>	(in <i>LLD</i>) <i>insurance business</i> relating to <i>credit</i> contracts.
<i>credit union</i>	a <i>body corporate</i> registered under the Industrial and Provident Societies Act 1965 as a credit union in accordance with the Credit Unions Act 1979.
<i>CREST</i>	the computer-based system which enables securities to be held and transferred in uncertificated form and which is operated by CRESTCo Limited.
<i>cross border services</i>	(1) (in relation to a <i>UK firm</i>) services provided within an <i>EEA State</i> other than the <i>United Kingdom</i> under the freedom to provide services. (2) (in relation to an <i>incoming EEA firm</i> or an <i>incoming Treaty firm</i>) services provided within the <i>United Kingdom</i> under the freedom to provide services.
<i>cross-transaction</i>	(a) a transaction by which a <i>person</i> matches, at the same price and on the same terms, the <i>buy</i> and <i>sell</i> orders of two or more <i>persons</i> for whom he is acting as agent; (b) a transaction to which only one <i>person</i> is a party, by which he purports to <i>sell</i> to and <i>buy</i> from himself.
<i>currency class share</i>	(in relation to an <i>ICVC</i>) a <i>class</i> of <i>share</i> denominated in a currency that is not the <i>base currency</i> of the <i>ICVC</i> or, if permitted by <i>CIS</i> 2.5.4R(1), denominated in the <i>base currency</i> .
<i>current customer order</i>	(a) a <i>customer order</i> to be <i>executed</i> immediately; (b) a <i>customer order</i> which is to be <i>executed</i> only on fulfilment of a condition, after the condition has been fulfilled.
<i>custodian</i>	(a) an <i>approved bank</i> ; (b) an <i>approved depositary</i> ; (c) a <i>member</i> of a <i>recognised investment exchange</i> or <i>designated investment exchange</i> ; (d) a <i>firm</i> whose <i>permitted activities</i> include <i>safeguarding and administering investments</i> ; (e) a regulated <i>clearing firm</i> ; (f) where it is not feasible to use a <i>custodian</i> in (a) to (e), and there

are reasonable grounds to show that a *person* outside the *United Kingdom*, whose business includes the provision of custodial services, is able to provide such services which are appropriate to the *client* and in the *client's* best interest to use, that *person*.

<i>custody</i>	(in relation to <i>clients'</i> assets) <i>safeguarding and administering investments</i> .
<i>custody asset</i>	(a) a <i>designated investment</i> held for or on behalf of a <i>client</i> ; (b) any other asset which is or may be held with a <i>designated investment</i> held for, or on behalf of, a <i>client</i> .
<i>custody rules</i>	COB 9.1.
<i>customer</i>	(1) (except in COB 3) a <i>client</i> who is not a <i>market counterparty</i> . (2) (in COB 3) a <i>person</i> in (1) or a <i>person</i> who would be such a <i>person</i> if he were a <i>client</i> .
<i>customer function</i>	any of the <i>controlled functions</i> 21 to 27 in the <i>table of controlled functions</i> .
<i>customer order</i>	(a) an order to a <i>firm</i> from a <i>customer</i> to <i>execute</i> a transaction as agent; (b) any other order to a <i>firm</i> from a <i>customer</i> to <i>execute</i> a transaction in circumstances giving rise to duties similar to those arising on an order to <i>execute</i> a transaction as agent; (c) a decision by a <i>firm</i> in the exercise of discretion to <i>execute</i> a transaction with or for a <i>customer</i> .
<i>customer trading function</i>	<i>controlled function</i> CF26 in the <i>table of controlled functions</i> , described more fully in SUP 10.10.16R.
<i>damage to property</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 9 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), against loss of or damage to property (other than property to which paragraphs 3 to 7 of that Schedule (<i>Land vehicles, Railway rolling stock, Aircraft, Ships and Goods in transit</i>) relate) due to hail or frost or any other event (such as theft) other than those mentioned in paragraph 8 of that Schedule (<i>Fire and natural forces</i>).
<i>date of allotment</i>	the date on which amounts of the <i>relevant security</i> are allotted to subscribers or purchasers and, where there is an initial or preliminary allotment subject to confirmation, the date of that initial or preliminary allotment.
<i>day</i>	a period of 24 hours beginning at midnight.
<i>deal</i>	a <i>dealing</i> transaction.
<i>dealing</i>	(in accordance with paragraph 2 of Schedule 2 to the <i>Act</i> (Regulated activities)) buying, selling, subscribing for or underwriting <i>investments</i> or offering or agreeing to do so, either as a <i>principal</i> or as an agent, including, in the case of an <i>investment</i> which is a <i>contract of</i>

	<i>insurance</i> , carrying out the contract.
<i>dealing day</i>	(in <i>CIS</i>) the period in each <i>business day</i> (or in each other <i>day</i> when the <i>ACD</i> or <i>operator</i> is open for business) during which the <i>ACD</i> or <i>operator</i> keeps its premises or any of them open to the public or otherwise publicly available for business of any kind.
<i>dealing in investments as agent</i>	the <i>regulated activity</i> , specified in article 21 of the <i>Regulated Activities Order</i> (Dealing in investments as agent), which is in summary: <i>buying, selling</i> , subscribing for or underwriting <i>designated investments</i> as agent.
<i>dealing in investments as principal</i>	the <i>regulated activity</i> , specified in article 14 of the <i>Regulated Activities Order</i> (Dealing in investments as principal), which is in summary: <i>buying, selling</i> , subscribing for or underwriting <i>designated investments</i> as principal.
<i>dealing period</i>	(in <i>CIS</i>) the period between one <i>valuation point</i> and the next.
<i>debenture</i>	the <i>investment</i> , specified in article 77 of the <i>Regulated Activities Order</i> (Instruments creating or acknowledging indebtedness), which is in summary: any of the following which are not <i>government and public securities</i> : <ul style="list-style-type: none"> (a) debentures; (b) debenture stock; (c) loan stock; (d) bonds; (e) certificates of deposit; (f) any other instrument creating or acknowledging indebtedness.
<i>debt security</i>	any of the following: <ul style="list-style-type: none"> (a) a <i>debenture</i>; (b) a <i>government and public security</i>; (c) a <i>warrant</i> which confers a right in respect of an <i>investment</i> in (a) or (b).
<i>DEC</i>	the Decision making manual.
<i>decision notice</i>	a notice issued by the <i>FSA</i> in accordance with section 388 of the <i>Act</i> (Decision notices).
<i>dedicated</i>	(in relation to <i>investments</i> of an <i>authorised fund</i>) intended that the <i>holders</i> should participate in or receive: <ul style="list-style-type: none"> (a) profits or income arising from the acquisition, holding, management or disposal of <i>investments</i> of the relevant description; or (b) sums paid out of profits or income in (a); or (c) other benefits where expressly permitted by a provision in <i>CIS</i>.

<i>default rules</i>	<p>(1) (in relation to a <i>UK RIE</i>) the default rules which it is required to have under paragraph 10 of the Schedule to the <i>Recognition Requirements Regulations</i>.</p> <p>(2) (in relation to a <i>UK RCH</i>) the default rules which it is required to have under paragraph 24 of the Schedule to the <i>Recognition Requirements Regulations</i>.</p>
<i>deferred acquisition costs</i>	deferred acquisition costs as defined in the <i>insurance accounts rules</i> .
<i>defined benefits pension scheme</i>	a <i>pension policy</i> or <i>pension contract</i> under which the only <i>money-purchase benefits</i> are benefits ancillary to other benefits which are not <i>money-purchase benefits</i> .
<i>delivery by value</i>	a transaction type, described as "delivery by value", used to deliver and receive <i>securities</i> within <i>CREST</i> .
<i>deposit</i>	<p>the <i>investment</i>, specified in article 74 and defined in articles 5(2) and 5(3) of the <i>Regulated Activities Order</i>, which is in summary: a sum of money (other than one excluded by any of articles 6 to 9 of the <i>Regulated Activities Order</i>) paid on terms:</p> <p>(a) under which it will be repaid, with or without interest or a premium, and either on demand or at a time or in circumstances agreed by or on behalf of the <i>person</i> making the payment and the <i>person</i> receiving it; and</p> <p>(b) which are not referable to the provision of property (other than currency) or services or the giving of security;</p> <p>in this definition, money is paid on terms which are referable to the provision of property or services or the giving of security if, and only if:</p> <p>(a) it is paid by way of advance or part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services is or are not in fact sold, hired or otherwise provided; or</p> <p>(b) it is paid by way of security for the performance of a contract or by way of security in respect of loss which may result from the non-performance of a contract; or</p> <p>(c) without prejudice to (b), it is paid by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise.</p>
<i>Deposit Guarantee Directive</i>	the Council Directive of 13 May 1994 on deposit-guarantee schemes (No 94/19/EC).
<i>deposit-taking firm</i>	a <i>firm</i> which is a <i>bank</i> , <i>building society</i> or <i>credit union</i> .
<i>depository</i>	(a) (in relation to an <i>ICVC</i>) the <i>person</i> to whom is entrusted the safekeeping of all of the <i>scheme property</i> of the <i>ICVC</i> and who has been appointed for this purpose in accordance with regulation 5 (Safekeeping of scheme property by depository) of and

	Schedule 1 (Depositories) to the <i>OEIC Regulations</i> ;
	(b) (in relation to an <i>AUT</i>) the <i>trustee</i> ;
	(c) (in relation to any other <i>unit trust scheme</i>) the <i>person</i> holding the property of the <i>scheme</i> on trust for the <i>participants</i> ;
	(d) (in relation to any other <i>collective investment scheme</i>) any <i>person</i> to whom the property subject to the <i>scheme</i> is entrusted for safekeeping.
<i>derivative</i>	a <i>contract for differences</i> , a <i>future</i> or an <i>option</i> .
<i>designated client bank account</i>	a <i>client bank account</i> with the following characteristics: <ul style="list-style-type: none"> (a) the account holds the money of one or more <i>clients</i>; (b) the account includes in its title the word "designated"; (c) the <i>clients</i> whose <i>money</i> is in the account have each consented in writing to the use of the bank with which the <i>client money</i> is to be held; and (d) in the event of the <i>failure</i> of that bank, the account is not pooled with any other type of account unless a <i>primary pooling event</i> occurs.
<i>designated client fund account</i>	a <i>client bank account</i> with the following characteristics: <ul style="list-style-type: none"> (a) the account holds at least part of the <i>client money</i> of one or more <i>clients</i>, each of whom has consented to that <i>money</i> being held in the same <i>client bank accounts</i> at the same banks (the <i>client money</i> of such <i>clients</i> constituting a designated fund); (b) the account includes in its title the words "designated fund"; and (c) in the event of the <i>failure</i> of a bank with which part of a designated fund is held, each <i>designated client fund account</i> held with the <i>failed</i> bank will form a pool with any other <i>designated client fund account</i> containing part of that same designated fund unless a <i>primary pooling event</i> occurs.
<i>designated investment</i>	a <i>security</i> or a <i>contractually based investment</i> , that is, any of the following <i>investments</i> , specified in Part III of the <i>Regulated Activities Order</i> (Specified Investments): <ul style="list-style-type: none"> (a) <i>life policy</i> (subset of article 75 (Contracts of insurance)); (b) <i>share</i> (article 76); (c) <i>debenture</i> (article 77); (d) <i>government and public security</i> (article 78); (e) <i>warrant</i> (article 79); (f) <i>certificate representing certain securities</i> (article 80); (g) <i>unit</i> (article 81); (h) <i>stakeholder pension scheme</i> (article 82); (i) <i>option</i> (article 83); for the purposes of the <i>permission</i> regime, this

is sub-divided into:

- (i) *option* (excluding a *commodity option* and an *option* on a *commodity future*);
- (ii) *commodity option* and *option* on a *commodity future*;
- (j) *future* (article 84); for the purposes of the *permission* regime, this is sub-divided into:
 - (i) *future* (excluding a *commodity future* and a *rolling spot forex contract*);
 - (ii) *commodity future*;
 - (iii) *rolling spot forex contract*;
- (k) *contract for differences* (article 85); for the purposes of the *permission* regime, this is sub-divided into:
 - (i) *contract for differences* (excluding a *spread bet* and a *rolling spot forex contract*);
 - (ii) *spread bet*;
 - (iii) *rolling spot forex contract*;
- (l) *rights to or interests in investments* in (a) to (k) (article 89).

designated investment business

any of the following activities, specified in Part II of the *Regulated Activities Order* (Specified Activities), which is carried on by way of business:

- (a) *dealing in investments as principal* (article 14), but disregarding the exclusion in article 15 (Absence of holding out etc);
- (b) *dealing in investments as agent* (article 21);
- (c) *arranging (bringing about) deals in investments* (article 25(1)), but only in relation to *designated investments*;
- (d) *making arrangements with a view to transactions in investments* (article 25(2)), but only in relation to *designated investments*;
- (e) *managing investments* (article 37);
- (f) *safeguarding and administering investments* (article 40); for the purposes of the *permission* regime, this is sub-divided into:
 - (i) *safeguarding and administration of assets (without arranging)*;
 - (ii) *arranging safeguarding and administration of assets*;
- (g) *sending dematerialised instructions* (article 45(1));
- (h) *causing dematerialised instructions to be sent* (article 45(2));
- (i) *establishing, operating or winding up a collective investment scheme* (article 51(1)(a)); for the purposes of the *permission* regime, this is sub-divided into:
 - (i) *establishing, operating or winding up a regulated*

- collective investment scheme;*
- (ii) *establishing, operating or winding up an unregulated collective investment scheme;*
- (j) *acting as trustee of an authorised unit trust scheme (article 51(1)(b));*
- (k) *acting as the depositary or sole director of an open-ended investment company (article 51(1)(c));*
- (l) *establishing, operating or winding up a stakeholder pension scheme (article 52);*
- (m) *advising on investments (article 53); for the purposes of the permission regime, this is sub-divided into:*
 - (i) *advising on investments (except pension transfers and pension opt-outs);*
 - (ii) *advising on pension transfers and pension opt-outs;*
- (n) *agreeing to carry on a regulated activity in (a) to (h) and (m) (article 64).*

designated investment exchange

(except in *IPRU*) any of the following investment exchanges:

American Stock Exchange
 Australian Stock Exchange
 Bolsa Mexicana de Valores
 Bourse de Montreal Inc
 Chicago Board of Trade
 Chicago Board Options Exchange
 Chicago Stock Exchange
 Coffee, Sugar and Cocoa Exchange, Inc
 Euronext Amsterdam Commodities Market
 Hong Kong Exchanges and Clearing Limited
 International Securities Market Association
 Johannesburg Stock Exchange
 Kansas City Board of Trade
 Korea Stock Exchange
 MidAmerica Commodity Exchange
 Minneapolis Grain Exchange
 New York Cotton Exchange
 New York Futures Exchange
 New York Stock Exchange
 New Zealand Stock Exchange

	Osaka Securities Exchange
	Pacific Exchange
	Philadelphia Stock Exchange
	Singapore Exchange
	South African Futures Exchange
	Tokyo International Financial Futures Exchange
	Tokyo Stock Exchange
	Toronto Stock Exchange
<i>designated non-member</i>	(in <i>REC</i>) (in relation to a <i>UK RIE</i>) a <i>person</i> in respect of whom action may be taken under the <i>default rules</i> of the <i>RIE</i> but who is not a <i>member</i> of the <i>RIE</i> .
<i>designated professional body</i>	a professional body designated by the Treasury under section 326 of the <i>Act</i> (Designation of professional bodies) for the purposes of Part XX of the <i>Act</i> (Provision of Financial Services by Members of the Professions); as at 21 June 2001 the following professional bodies have been designated in the Financial Services and Markets Act 2000 (Designated Professional Bodies) Order 2001 (SI 2001/1226): <ul style="list-style-type: none"> (a) The Law Society (England and Wales); (b) The Law Society of Scotland; (c) The Law Society of Northern Ireland; (d) The Institute of Chartered Accountants in England and Wales; (e) The Institute of Chartered Accountants of Scotland; (f) The Institute of Chartered Accountants in Ireland; (g) The Association of Chartered Certified Accountants; (h) The Institute of Actuaries.
<i>designated State or territory</i>	any <i>EEA State</i> (other than the <i>United Kingdom</i>), Australia, Canada, Hong Kong, New Zealand, Singapore, South Africa, Switzerland or the USA.
<i>DGD</i>	<i>Deposit Guarantee Directive</i> .
<i>DGD claim</i>	a <i>claim</i> , in relation to a <i>protected deposit</i> , against a <i>BCD credit institution</i> , whether established in the <i>United Kingdom</i> or in another <i>EEA State</i> .
<i>dilution</i>	(in <i>CIS</i>) the amount of <i>dealing</i> costs incurred, or expected to be incurred, by an <i>ICVC</i> or for the account of a <i>single-priced AUT</i> to the extent that these costs may reasonably be expected to result, or have resulted, from the acquisition or disposal of <i>investments</i> by the <i>ICVC</i> or for the account of the <i>single-priced AUT</i> as a consequence (whether or not immediate) of the increase or decrease in the cash resources of the <i>ICVC</i> or <i>single-priced AUT</i> resulting from the <i>issue</i> or <i>cancellation</i> of <i>units</i> over a period;

	for the purposes of this definition, <i>dealing</i> costs include both the costs of <i>dealing</i> in an <i>investment</i> , professional fees incurred, or expected to be incurred, in relation to the acquisition or disposal of <i>approved immovables</i> and, where there is a spread between the <i>buying</i> and <i>selling prices</i> of the <i>investment</i> , the indirect cost resulting from the differences between those <i>prices</i> .
<i>dilution levy</i>	a charge of such amount or at such rate as is determined by an <i>ACD</i> of an <i>ICVC</i> or a <i>manager</i> of a <i>single-priced AUT</i> to be made for the purpose of reducing the effect of <i>dilution</i> .
<i>Diploma Directives</i>	the First and Second Diploma Directives, that is: <ul style="list-style-type: none"> (a) the Council Directive of 21 December 1988 on a general system for the recognition of higher-education diplomas, awarded on completion of professional education and training of at least three years' duration (No 89/48/EEC); (b) the Council Directive of 18 June 1992 on a second general system for the recognition of professional education and training to supplement Directive 89/48/EEC (No 92/51/EEC).
<i>direct offer financial promotion</i>	a <i>non-real time financial promotion</i> which: <ul style="list-style-type: none"> (a) contains: <ul style="list-style-type: none"> (i) an offer by the <i>firm</i> to enter into a <i>controlled agreement</i> with anyone who responds to the <i>financial promotion</i>; or (ii) an invitation to anyone who responds to the <i>financial promotion</i> to make an offer to the <i>firm</i> to enter into a <i>controlled agreement</i>; and (b) specifies the manner of response or includes a form in which any response is to be made (for example by providing a tear-off slip).
<i>directive friendly society</i>	a <i>friendly society</i> other than a <i>non-directive friendly society</i> .
<i>director</i>	(1) (except in <i>CIS</i>) (in relation to any of the following (whether constituted in the <i>United Kingdom</i> or under the law of a country or territory outside it)): <ul style="list-style-type: none"> (a) an unincorporated association; (b) a <i>body corporate</i>; (c) (in <i>SYSC</i> and <i>SUP 10</i> (Approved persons)) a <i>partnership</i>; (d) (in <i>SYSC</i> and <i>SUP 10</i> (Approved persons)) a <i>sole trader</i>; any <i>person</i> appointed to direct its affairs, including a <i>person</i> who is a member of its <i>governing body</i> and (in accordance with section 417(1) of the <i>Act</i>): <ul style="list-style-type: none"> (i) a <i>person</i> occupying in relation to it the position of a director (by whatever name called); and (ii) a <i>person</i> in accordance with whose directions or instructions (not being advice given in a professional

capacity) the directors of that body are accustomed to act.

- (2) (in *CIS*) a director of an *ICVC*, including (in accordance with regulation 2(1) of the *OEIC Regulations*) a *person* occupying in relation to the *ICVC* the position of director, by whatever name called.

<i>director function</i>	<i>controlled function</i> CF1 in the <i>table of controlled functions</i> , described more fully in <i>SUP</i> 10.6.4R.
<i>director of unincorporated association function</i>	<i>controlled function</i> CF5 in the <i>table of controlled functions</i> , described more fully in <i>SUP</i> 10.6.24R.
<i>Disciplinary Tribunal</i>	(in <i>LLD</i>) a Tribunal appointed under Schedule 2 to Lloyd's Disciplinary Committees Byelaw (No 31 of 1996).
<i>disclosable information</i>	any information which has to be disclosed in the market in accordance with any legal or regulatory requirement.
<i>discounting</i>	(in <i>LLD</i>) discounting or deductions to take account of investment income as set out in paragraph 48 of the <i>insurance accounts rules</i> .
<i>DISP</i>	Dispute resolution: the Complaints sourcebook.
<i>distribution account</i>	(in <i>CIS</i>) the account to which the <i>income property</i> of an <i>authorised fund</i> must be transferred as at the end of each <i>annual accounting period</i> under <i>CIS</i> 9.2.3R (Annual allocation of income).
<i>document</i>	any piece of recorded information, including (in accordance with section 417(1) of the <i>Act</i> (Interpretation)) information recorded in any form; in relation to information recorded otherwise than in legible form, references to its production include references to producing a copy of the information in legible form.
<i>document evidencing title</i>	any means of evidencing title whether in documentary form or otherwise.
<i>dual-priced AUT</i>	an <i>AUT</i> that is not a <i>single-priced AUT</i> .
<i>ECA Regulations</i>	the Open-Ended Investment Companies (Investment Companies with Variable Capital) Regulations 1996 (SI 1996/2827).
<i>EEA</i>	the <i>European Economic Area</i> . (see also <i>EEA State</i> .)
<i>EEA authorisation</i>	(in accordance with paragraph 6 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) authorisation granted to an <i>EEA firm</i> by its <i>Home State regulator</i> for the purpose of the relevant <i>Single Market Directive</i>).
<i>EEA bank</i>	an <i>incoming EEA firm</i> which is a <i>BCD credit institution</i> .
<i>EEA firm</i>	(in accordance with paragraph 5 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) any of the following, if it does not have its head office in the <i>United Kingdom</i> : (a) an investment firm (as defined in article 1(2) of the <i>Investment</i>

	<p><i>Services Directive</i>) which is authorised (within the meaning of article 3) by its <i>Home State regulator</i>;</p> <p>(b) a <i>credit institution</i> which is authorised (within the meaning of article 1) by its <i>Home State regulator</i>;</p> <p>(c) a financial institution (as defined in article 1 of the <i>Banking Consolidation Directive</i>) which is a subsidiary of the kind mentioned in article 19 and which fulfils the conditions in articles 18 and 19;</p> <p>(d) an <i>undertaking</i> pursuing the activity of direct insurance (within the meaning of article 1 of the <i>First Life Directive</i> or of the <i>First Non-Life Directive</i>) which has received authorisation under article 6 from its <i>Home State regulator</i>.</p>
<i>EEA investment business oversight function</i>	<i>controlled function</i> CF9 in the <i>table of controlled functions</i> , described more fully in SUP 10.7.6R.
<i>EEA regulator</i>	a <i>competent authority</i> for the purposes of any of the <i>Single Market Directives</i> .
<i>EEA right</i>	<p>(in accordance with paragraph 7 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) the entitlement of a <i>person</i> to establish a <i>branch</i> or provide services in an <i>EEA State</i> other than that in which he has his head office:</p> <p>(a) in accordance with the <i>Treaty</i> as applied in the <i>European Economic Area</i>; and</p> <p>(b) subject to the conditions of the relevant <i>Single Market Directive</i>.</p>
<i>EEA State</i>	(in accordance with paragraph 8 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) a State which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being; as at 21 June 2001, the following are the <i>EEA States</i> : Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the <i>United Kingdom</i> .
<i>effecting contracts of insurance</i>	the <i>regulated activity</i> , specified in article 10(1) of the <i>Regulated Activities Order</i> (<i>Effecting and carrying out contracts of insurance</i>), of effecting a <i>contract of insurance</i> as principal.
<i>EIS</i>	<i>Enterprise Investment Scheme</i> .
<i>EIS fund</i>	<p>an arrangement, specified in paragraph 2 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 (SI 2001/1062), which is in summary: an arrangement in relation to <i>EIS shares</i> that would have been a <i>collective investment scheme</i> if the scheme arrangements had not provided that:</p> <p>(a) the <i>operator</i> will, so far as practicable, make investments which, subject to each participant's individual circumstances, qualify for</p>

	relief under Chapter III of Part VII of the Income and Corporation Taxes Act 1988; and
	(b) the minimum subscription to the arrangements by each participant must be not less than £2,000.
<i>EIS managed portfolio</i>	a managed portfolio which is, or is to be, invested wholly or mainly in <i>EIS shares</i> .
<i>EIS manager</i>	(a) (in relation to an <i>EIS managed portfolio</i>) the investment manager; (b) (in relation to an <i>EIS fund</i>) the manager of the fund.
<i>EIS particulars</i>	a <i>document</i> containing particulars of an <i>Enterprise Investment Scheme</i> .
<i>EIS share</i>	a <i>share</i> in respect of which the beneficial owner may, subject to his individual circumstances, be qualified, or has been qualified, for relief under Chapter III of Part VII of the Income and Corporation Taxes Act 1988.
<i>EIS subscription</i>	any <i>money</i> which is subscribed: (a) in the case of an <i>EIS managed portfolio</i> , by the <i>client</i> of the <i>EIS manager</i> whose portfolio it is; (b) in the case of an <i>EIS fund</i> , by the participants in the <i>EIS</i> .
<i>eligible</i>	(in <i>CIS</i>) (in relation to a <i>securities</i> market or a <i>derivatives</i> market) a market that satisfies the requirements of <i>CIS</i> 5.3.3R (Eligible markets requirements).
<i>eligible claimant</i>	a <i>person</i> who is eligible to bring a <i>claim</i> for compensation under <i>COMP</i> 4.2.1R.
<i>eligible complainant</i>	a <i>person</i> eligible to have a complaint considered under the <i>Financial Ombudsman Service</i> , as defined in <i>DISP</i> 2.4 (Who can refer a complaint to the Financial Ombudsman Service).
<i>eligible institution</i>	(in <i>CIS</i>) (a) a <i>BCD credit institution</i> authorised by its <i>Home State regulator</i> ; (b) an <i>ISD investment firm</i> authorised by its <i>Home State regulator</i> .
<i>eligible investment trust</i>	an <i>investment trust</i> that satisfies the requirements of <i>CIS</i> 5.10.4R (Feeder fund investing in a single eligible investment trust).
<i>employee</i>	(1) (for all purposes except those in (2)) an individual: (a) who is employed or appointed by a <i>person</i> in connection with that <i>person's</i> business, whether under a contract of service or for services or otherwise; or (b) whose services, under an arrangement between that <i>person</i> and a third party, are placed at the disposal and under the control of that <i>person</i> ; but excluding an <i>appointed representative</i> of that <i>person</i> .

- (2) (for the purposes of:
- (a) *COB* 7.13 (Personal account dealing);
 - (b) *SUP* 12 (Appointed representatives); and
 - (c) *TC*)
- an individual:
- (i) within (1); or
 - (ii) who is:
 - (A) an *appointed representative* of the *person* referred to in (1); or
 - (B) employed or appointed by an *appointed representative* of that *person*, whether under a contract of service or for services or otherwise, in connection with the business of the *appointed representative* for which that *person* has accepted responsibility.
- endowment assurance* a *life policy* which pays a sum of *money* on the survival of the life assured to a specific date or on his earlier death.
- ENF* the Enforcement manual.
- engage in investment activity* (as defined in section 21(8) of the *Act* (Restrictions on financial promotion)):
- (a) enter or offer to enter into an agreement the making or performance of which by either party constitutes a *controlled activity*; or
 - (b) exercise any rights conferred by a *controlled investment* to acquire, dispose of, underwrite or convert a *controlled investment*.
- entering as provider into a funeral plan contract* the *regulated activity*, specified in article 59 of the *Regulated Activities Order* (Funeral plan contracts) which comes into force on 1 January 2002, of entering as provider into a *funeral plan contract*.
- Enterprise Investment Scheme* an arrangement which is an *EIS managed portfolio* or an *EIS fund*.
- Enterprise Zone Property Unit Trust* an *unregulated collective investment scheme* of which the underlying assets are industrial and commercial buildings in an Enterprise Zone in accordance with section 749(2) of the Finance Act 1980.
- equity stake* (in relation to a *company*) any kind of equity stake in that *company*, including *shares* in it (including non-voting and non-equity *shares*, *debt securities* that are convertible or exchangeable into such *shares*, a call *option* on such *shares* or an in-the-money put *option* on such *shares*, but excluding a *contract for differences* or other *investment* that provides merely an economic exposure to movement in the price of the *company's shares*).
- establishing,* the *regulated activity*, specified in article 51(1)(a) of the *Regulated*

<i>operating or winding up a collective investment scheme</i>	<i>Activities Order</i> (Establishing etc a collective investment scheme), of establishing, operating or winding up a <i>collective investment scheme</i> .
<i>establishing, operating or winding up a regulated collective investment scheme</i>	<i>establishing, operating or winding up a collective investment scheme</i> if the <i>scheme</i> is a <i>regulated collective investment scheme</i> .
<i>establishing, operating or winding up a stakeholder pension scheme</i>	the <i>regulated activity</i> , specified in article 52 of the <i>Regulated Activities Order</i> (Establishing etc a stakeholder pension scheme), of establishing, operating or winding up a <i>stakeholder pension scheme</i> .
<i>establishing, operating or winding up an unregulated collective investment scheme</i>	<i>establishing, operating or winding up a collective investment scheme</i> if the <i>scheme</i> is an <i>unregulated collective investment scheme</i> .
<i>establishment conditions</i>	(in relation to the establishment of a <i>branch</i> in the <i>United Kingdom</i>) the conditions specified in paragraph 13 of Schedule 3 to the <i>Act</i> (EEA Passport Rights), which are that: <ul style="list-style-type: none"> (a) the <i>FSA</i> has received notice ("a consent notice") from the <i>EEA firm's Home State regulator</i> that it has given the <i>EEA firm</i> consent to establish a <i>branch</i> in the <i>United Kingdom</i>; (b) the consent notice: <ul style="list-style-type: none"> (i) is given in accordance with the relevant <i>Single Market Directive</i>; (ii) identifies the activities to which consent relates; and (iii) includes the other information prescribed in the Financial Services and Markets Act 2000 (EEA Passport Rights) Regulations 2001 (SI 2001/1376); and (c) the <i>EEA firm</i> has been informed of the <i>applicable provisions</i> or two <i>months</i> have elapsed beginning with the date when the <i>FSA</i> received the consent notice.
<i>establishment costs</i>	(in <i>DISP</i>) the costs of establishing the <i>Financial Ombudsman Service</i> .
<i>European Economic Area</i>	the area established by the agreement on the European Economic Area signed at Oporto on 2 May 1992 and which consists of the <i>EEA States</i> .
<i>evidential provision</i>	a <i>rule</i> , contravention of which does not give rise to any of the consequences provided for by other provisions of the <i>Act</i> ; and which provides, in accordance with section 149(2) of the <i>Act</i> , that: <ul style="list-style-type: none"> (a) contravention may be relied on as tending to establish contravention of such other <i>rule</i> as may be specified; or (b) compliance may be relied on as tending to establish compliance with such other <i>rule</i> as may be specified; or

	(c) both (a) and (b).
<i>ex-section 43 firm</i>	a <i>firm</i> that was a listed institution, as defined in section 43 of the Financial Services Act 1986, immediately before <i>commencement</i> .
<i>ex-section 43 lead regulated firm</i>	an <i>ex-section 43 firm</i> for which the <i>FSA</i> (in its capacity as the regulatory body under section 43 of the Financial Services Act 1986) was lead regulator for financial supervision purposes, and that was subject to the <i>section 43 capital requirements</i> , immediately before <i>commencement</i> .
<i>excluded material</i>	(in relation to access to <i>FSA</i> material) (as defined in section 394(7) of the <i>Act</i> (Access to Authority material)) material which: <ul style="list-style-type: none"> (a) has been intercepted in obedience to a warrant issued under any enactment relating to the interception of communications; or (b) indicates that such a warrant has been issued or that material has been intercepted in obedience to such a warrant; or (c) is a <i>protected item</i>.
<i>execute</i>	(in relation to a transaction) carry into effect or perform the transaction, whether as <i>principal</i> or as agent, including instructing another <i>person</i> to execute the transaction.
<i>execution-only transaction</i>	a transaction <i>executed</i> by a <i>firm</i> upon the specific instructions of a <i>client</i> where the <i>firm</i> does not give <i>advice on investments</i> relating to the merits of the transaction.
<i>executive procedures</i>	the procedures relating to the giving of <i>warning notices</i> , <i>decision notices</i> and <i>supervisory notices</i> that the <i>FSA</i> proposes to follow in the circumstances specified in <i>DEC 4.1.6G</i> (Decisions to be taken by executive procedures), and that are described in <i>DEC 4.3</i> (Executive procedures for statutory notice decisions and statutory notice associated decisions).
<i>exempt activity</i>	(in relation to a <i>recognised body</i>) any <i>regulated activity</i> in respect of which the body is exempt from the <i>general prohibition</i> as a result of section 285(2) or (3) of the <i>Act</i> (Exemption for recognised investment exchanges and clearing houses).
<i>exempt person</i>	(as defined in section 417(1) of the <i>Act</i> (Definitions)) (in relation to a <i>regulated activity</i>) a <i>person</i> who is exempt from the <i>general prohibition</i> in respect of that activity as a result of: <ul style="list-style-type: none"> (a) the <i>Exemption Order</i>; or (b) being an <i>appointed representative</i>; or (c) section 285(2) or (3) of the <i>Act</i> (Exemption for recognised investment exchanges and clearing houses).
<i>exempt professional firm</i>	a <i>person</i> to whom, under section 327 of the <i>Act</i> , the <i>general prohibition</i> does not apply; guidance is given in <i>PROF 2.2</i> (Exempt regulated activities).
<i>exempt regulated</i>	(as defined in section 325(2) of the <i>Act</i> (Authority's general duty)) a

<i>activity</i>	<i>regulated activity</i> which may, as a result of Part XX of the <i>Act</i> (Provision of Financial Services by Members of the Professions), be carried on by <i>members</i> of a profession which is supervised and regulated by a <i>designated professional body</i> without breaching the <i>general prohibition</i> .
<i>Exemption Order</i>	the Financial Services and Markets Act 2000 (Exemption) Order 2001 (SI 2001/1201).
<i>exposure</i>	(in relation to a <i>firm</i>) the maximum loss which the <i>firm</i> might suffer if: <ul style="list-style-type: none"> (a) a counterparty or a group of connected counterparties fail to meet their obligations; or (b) it realises assets or off-balance sheet positions.
<i>extraordinary resolution</i>	(in <i>CIS</i>) a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for and against the resolution at a general meeting or (as the case may be) <i>class meeting of holders</i> , of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given.
<i>EZPUT</i>	<i>Enterprise Zone Property Unit Trust</i> .
<i>facilities</i>	(in relation to a <i>recognised body</i>) the facilities and services which it provides in the course of carrying on <i>exempt activities</i> .
<i>failure</i>	(in <i>COB 9</i>) the appointment of a liquidator, receiver or administrator, or trustee in bankruptcy, or any equivalent procedure in any relevant jurisdiction.
<i>fee</i>	any payment offered or made by a <i>client</i> to a <i>firm</i> in connection with <i>designated investment business</i> or with any other business of the <i>firm</i> , including (where applicable) any <i>mark-up or mark-down</i> .
<i>feeder fund</i>	an <i>AUT</i> that is a <i>relevant pension scheme</i> and <i>dedicated</i> to units in a single <i>regulated collective investment scheme</i> or to <i>shares</i> or <i>debentures</i> of a single <i>eligible investment trust</i> .
<i>field representative</i>	an <i>appointed representative</i> of the <i>firm</i> , or an <i>employee</i> of the <i>firm</i> (or of its <i>appointed representative</i>), whose normal fixed place of business is not a business address of the <i>firm</i> which appears on the <i>firm's</i> stationery.
<i>final notice</i>	a notice given by the <i>FSA</i> under section 390 of the <i>Act</i> (Final notices).
<i>final response</i>	a response from a <i>firm</i> to a complainant which: <ul style="list-style-type: none"> (a) accepts the complaint, and where appropriate, offers redress; or (b) offers redress without accepting the complaint; or (c) rejects the complaint giving reasons for doing so, and contains information about the right to refer the complaint to the <i>Financial Ombudsman Service</i>.
<i>finance function</i>	<i>controlled function</i> CF13 in the <i>table of controlled functions</i> ,

	described more fully in <i>SUP</i> 10.8.1R.
<i>Financial Action Task Force</i>	the inter-governmental body responsible for developing and promoting policies, both nationally and internationally, to combat money laundering.
<i>financial adviser</i>	an individual appointed by an <i>independent intermediary</i> or by its <i>appointed representative</i> to provide any or all of the following services: <ul style="list-style-type: none"> (a) giving <i>advice on investments</i> to <i>clients</i>; (b) <i>arranging (bringing about) deals in investments</i> or <i>executing transactions</i> involving, in each case, <i>designated investments</i> with or for <i>clients</i>; (c) <i>managing investments</i>; (d) receiving or holding <i>client money</i> or other <i>clients'</i> assets; (e) <i>safeguarding and administering investments</i>.
<i>financial crime</i>	(in accordance with section 6(3) of the <i>Act</i>) any kind of criminal conduct relating to money or to financial services or markets, including any offence involving: <ul style="list-style-type: none"> (a) fraud or dishonesty; or (b) misconduct in, or misuse of information relating to, a financial market; or (c) handling the proceeds of crime; in this definition, "offence" includes an act or omission which would be an offence if it had taken place in the <i>United Kingdom</i> .
<i>Financial Ombudsman Service</i>	the scheme provided under Part XVI of the <i>Act</i> (The Ombudsman Scheme) under which certain disputes may be resolved quickly and with minimum formality by an independent <i>person</i> .
<i>Financial Ombudsman Service Limited</i>	the <i>body corporate</i> established by the <i>FSA</i> under paragraph 2(1) of Schedule 17 to the <i>Act</i> (The Scheme Operator) to administer the <i>Financial Ombudsman Service</i> .
<i>financial promotion</i>	(in accordance with section 21(1) of the <i>Act</i> (Restrictions on financial promotion)) an invitation or inducement to <i>engage in investment activity</i> .
<i>Financial Promotion Order</i>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (SI 2001/1335).
<i>financial promotion rules</i>	<i>COB</i> 3.
<i>Financial Services and Markets Tribunal</i>	the Tribunal established under section 132 of the <i>Act</i> (The Financial Services and Markets Tribunal) and run by the Lord Chancellor's Department.
<i>Financial Services Compensation</i>	the <i>body corporate</i> established by the <i>FSA</i> under section 212 of the <i>Act</i> (The scheme manager) to administer the <i>compensation scheme</i> .

<i>Scheme Limited</i>	
<i>financial system</i>	(as defined in section 3 of the <i>Act</i> (Market confidence)) the financial system operating in the <i>United Kingdom</i> including: <ul style="list-style-type: none"> (a) financial markets and exchanges; (b) <i>regulated activities</i>; and (c) other activities connected with financial markets and exchanges.
<i>financial year</i>	(1) (in <i>DISP</i>) the 12 <i>months</i> ending with 31 March. (2) (in <i>LLD</i>) a calendar year.
<i>fire and natural forces</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 8 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), against loss of or damage to property (other than property to which paragraphs 3 to 7 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Land vehicles; railway rolling stock; aircraft; ships; goods in transit) relate) due to fire, explosion, storm, natural forces other than storm, nuclear energy or land subsidence.
<i>firm</i>	an <i>authorised person</i> , but not a <i>professional firm</i> unless it is an <i>authorised professional firm</i> . (see also <i>GEN 2.2.18R</i> for the position of an <i>authorised partnership</i> or unincorporated association which is dissolved.)
<i>First Life Directive</i>	the Council Directive of 5 March 1979 on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of direct life assurance (No 79/267/EEC).
<i>First Non-Life Directive</i>	the Council Directive of 24 July 1973 on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of direct insurance other than life insurance (No 73/239/EEC).
<i>FIT</i>	the part of the <i>Handbook</i> in High Level Standards which has the title the Fit and Proper test for Approved Persons.
<i>flat rate benefits business friendly society</i>	a <i>friendly society</i> whose <i>insurance business</i> is restricted to the provision of benefits which vary according to the resources available and in which the contributions of members are determined on a flat rate basis.
<i>former member</i>	(in <i>LLD</i>) a <i>person</i> who has ceased to be a <i>member</i> , whether by resignation or otherwise, in accordance with Lloyd's Act 1982 and any <i>byelaw</i> made under it.
<i>former underwriting member</i>	(as defined in section 324(1) of the <i>Act</i> (Interpretation of Part XIX: Lloyd's)) a <i>person</i> ceasing to be an <i>underwriting member</i> on, or at any time after, 24 December 1996.
<i>forward price</i>	(in relation to <i>units</i>) a <i>price</i> calculated by reference to the <i>valuation point</i> next following the <i>authorised fund manager's</i> agreement to <i>sell</i> or, as the case may be, to <i>redeem</i> the <i>units</i> in question.

<i>FOS Ltd</i>	<i>Financial Ombudsman Service Limited.</i>
<i>free-standing additional voluntary contribution</i>	an <i>additional voluntary contribution</i> to a private <i>pension policy</i> or <i>pension contract</i> separate from but associated with an <i>occupational pension scheme</i> which is an approved arrangement under section 591(2)(h) of the <i>Income and Corporation Taxes Act 1988</i> .
<i>friendly society</i>	an <i>incorporated friendly society</i> or a <i>registered friendly society</i> .
<i>front end loaded</i>	(in relation to an <i>investment</i>) one where deductions for <i>charges</i> and expenses are loaded disproportionately on the early years.
<i>FSA</i>	the Financial Services Authority.
<i>FSA Register</i>	the public record, as required by section 347 of the <i>Act</i> (The public record), of every: <ul style="list-style-type: none"> (a) <i>authorised person</i>; (b) <i>AUT</i>; (c) <i>ICVC</i>; (d) <i>recognised scheme</i>; (e) <i>recognised investment exchange</i>; (f) <i>recognised clearing house</i>; (g) individual to whom a <i>prohibition order</i> relates; (h) <i>approved person</i>; and (i) <i>person</i> within such other class (if any) as the <i>FSA</i> may determine; except as provided by any transitional provisions.
<i>FSAVC</i>	<i>free-standing additional voluntary contribution.</i>
<i>FSCS</i>	<i>Financial Services Compensation Scheme Limited.</i>
<i>fund of funds scheme</i>	an <i>authorised fund dedicated</i> to <i>units</i> in a number of <i>regulated collective investment schemes</i> or <i>sub-funds</i> of one or more <i>regulated collective investment schemes</i> (or both).
<i>funds at Lloyd's</i>	assets of <i>members</i> held by the <i>Society</i> , not being part of their <i>premium trust funds</i> , available to meet the liabilities arising from their <i>insurance business</i> at Lloyd's.
<i>funeral plan contract</i>	the <i>investment</i> , specified in articles 59(2), 60 and 87 of the <i>Regulated Activities Order</i> which come into force on 1 January 2002, which is in summary: rights under a contract under which: <ul style="list-style-type: none"> (a) a <i>person</i> ("the customer") makes one or more payments to another <i>person</i> ("the provider"); and (b) the provider undertakes to provide, or secure that another <i>person</i> provides, a funeral in the <i>United Kingdom</i> for the customer (or some other <i>person</i> who is living at the date when the contract is entered into) on his death; <p>unless, at the time of entering into the contract, the customer and the</p>

	provider intend or expect the funeral to occur within one month;but excluding certain contracts under which sums paid will be applied towards a <i>contract of insurance</i> or will be held on trust.
<i>future</i>	the <i>investment</i> , specified in article 84 of the <i>Regulated Activities Order</i> (Futures), which is in summary: rights under a contract for the sale of a commodity or property of any other description under which delivery is to be made at a future date and at a price agreed on when the contract is made.
<i>future benefit</i>	(in <i>COMP</i>) any benefit, provided by a <i>long-term insurance contract</i> under which a <i>company</i> in liquidation owes obligations, which has not fallen due to be paid before the beginning of the liquidation.
<i>futures and options scheme</i>	an <i>authorised fund dedicated to derivatives</i> (where most or all of the transactions in <i>derivatives</i> are fully covered by cash, <i>securities</i> or <i>derivatives</i>), with or without <i>transferable securities</i> .
<i>geared futures and options scheme</i>	an <i>authorised fund dedicated to derivatives</i> (where most or all of the extent of the <i>investment</i> is limited by the amount of property available to put up as <i>initial outlay</i>), whether with or without <i>transferable securities</i> .
<i>geared securities scheme</i>	a <i>regulated collective investment scheme</i> where the policies which the operator adopts or proposes to adopt mean that, as a result of investment in <i>warrants</i> , movements in prices of <i>units</i> are likely to be amplified significantly.
<i>GEN</i>	the part of the <i>Handbook</i> in High Level Standards which has the title General provisions.
<i>general client bank account</i>	a <i>client bank account</i> that holds <i>client money</i> of one or more <i>clients</i> and which is not: <ul style="list-style-type: none"> (a) a <i>designated client bank account</i>; or (b) a <i>designated client fund account</i>.
<i>general insurance business</i>	the business of <i>effecting</i> or <i>carrying out general insurance contracts</i> .
<i>general insurance business assets</i>	(in <i>LLD</i>) assets of a <i>member</i> that are: <ul style="list-style-type: none"> (a) in a <i>premium trust fund</i> for <i>general insurance business</i>; or (b) <i>funds at Lloyd's</i> that are not <i>long-term insurance business assets</i>.
<i>general insurance business liabilities</i>	liabilities of a <i>member</i> that are not to be left out of account under <i>LLD</i> 12.5.4R, and are not <i>long-term insurance business liabilities</i> .
<i>general insurance business syndicate</i>	a <i>syndicate</i> in which <i>members</i> at Lloyd's carry on <i>general insurance business</i> .
<i>general insurance contract</i>	(in accordance with article 3(1) of the <i>Regulated Activities Order</i> (Interpretation: general)) any <i>contract of insurance</i> within Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), namely:

	<ul style="list-style-type: none"> (a) <i>accident</i> (paragraph 1); (b) <i>sickness</i> (paragraph 2); (c) <i>land vehicles</i> (paragraph 3); (d) <i>railway rolling stock</i> (paragraph 4); (e) <i>aircraft</i> (paragraph 5); (f) <i>ships</i> (paragraph 6); (g) <i>goods in transit</i> (paragraph 7); (h) <i>fire and natural forces</i> (paragraph 8); (i) <i>damage to property</i> (paragraph 9); (j) <i>motor vehicle liability</i> (paragraph 10); (k) <i>aircraft liability</i> (paragraph 11); (l) <i>liability of ships</i> (paragraph 12); (m) <i>general liability</i> (paragraph 13); (n) <i>credit</i> (paragraph 14); (o) <i>suretyship</i> (paragraph 15); (p) <i>miscellaneous financial loss</i> (paragraph 16); (q) <i>legal expenses</i> (paragraph 17); (r) <i>assistance</i> (paragraph 18).
<i>general levy</i>	(in <i>DISP</i>) the annual fee raised from a <i>firm</i> under the <i>rules</i> to fund a part agreed between the <i>Financial Ombudsman Service</i> and the <i>FSA</i> of the <i>Financial Ombudsman Service's</i> annual budget.
<i>general liability</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 13 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), against risks of the <i>persons</i> insured incurring liabilities to third parties, the risks in question not being risks to which paragraph 10 (Motor vehicle liability), 11 (Aircraft liability) or 12 (Liability of ships) of that Schedule relates.
<i>general prohibition</i>	the prohibition imposed by section 19 of the <i>Act</i> (The general prohibition) which states that no <i>person</i> may carry on a <i>regulated activity</i> in the <i>United Kingdom</i> , or purport to do so, unless he is: <ul style="list-style-type: none"> (a) an <i>authorised person</i>; or (b) an <i>exempt person</i>.
<i>general representative</i>	a <i>person</i> resident in the <i>United Kingdom</i> who is authorised to act generally, and to accept service of any <i>document</i> , on behalf of the <i>firm</i> .
<i>global account</i>	the accounts produced under <i>LLD 15.10</i> (The Lloyd's global account).
<i>Glossary</i>	the Glossary giving the meanings of the defined expressions used in

	the <i>Handbook</i> .
<i>goods in transit</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 7 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), against loss of or damage to merchandise, baggage and all other goods in transit, irrespective of the form of transport.
<i>governing body</i>	the board of <i>directors</i> , committee of management or other governing body of a <i>firm</i> or <i>recognised body</i> , including, in relation to a <i>sole trader</i> , the <i>sole trader</i> .
<i>governing function</i>	any of the <i>controlled functions</i> 1 to 7 in the <i>table of controlled functions</i> .
<i>government and public security</i>	<p>the <i>investment</i>, specified in article 78 of the <i>Regulated Activities Order</i> (Government and public securities), which is in summary: a loan stock, bond or other instrument creating or acknowledging indebtedness, issued by or on behalf of:</p> <ul style="list-style-type: none"> (a) the government of the <i>United Kingdom</i>; or (b) the Scottish Administration; or (c) the Executive Committee of the Northern Ireland Assembly; or (d) the National Assembly of Wales; or (e) the government of any country or territory outside the <i>United Kingdom</i>; or (f) a local authority in the <i>United Kingdom</i> or elsewhere; or (g) a body the members of which comprise: <ul style="list-style-type: none"> (i) States including the <i>United Kingdom</i> or another <i>EEA State</i>; or (ii) bodies whose members comprise States including the <i>United Kingdom</i> or another <i>EEA State</i>; <p>but excluding:</p> <ul style="list-style-type: none"> (A) the instruments specified in article 77(2)(a) to (d) of the <i>Regulated Activities Order</i>; (B) any instrument creating or acknowledging indebtedness in respect of: <ul style="list-style-type: none"> (I) money received by the Director of Savings as <i>deposits</i> or otherwise in connection with the business of the National Savings Bank; or (II) money raised under the National Loans Act 1968 under the auspices of the Director of Savings or treated as so raised under section 11(3) of the National Debt Act 1972.
<i>gross accumulation share</i>	(in <i>CIS</i>) a <i>share</i> in respect of which income is credited periodically to capital under <i>CIS</i> 9.2.4R (Annual allocation to accumulation shares or

accumulation units) or *CIS* 9.2.6R (Interim allocations of income) but, in accordance with relevant law, without deduction by the *ICVC* of any income tax.

group

(as defined in section 421 of the *Act* (Group)) (in relation to a *person* ("A")) A and any *person* who is:

- (a) a *parent undertaking* of A;
- (b) a *subsidiary undertaking* of A;
- (c) a *subsidiary undertaking* of a *parent undertaking* of A;
- (d) a *parent undertaking* of a *subsidiary undertaking* of A;
- (e) an *undertaking* in which A or an *undertaking* in (a) to (d) has a participating interest;
- (f) if A or an *undertaking* in (a) or (d) is a *building society*, an associated undertaking of that *building society*;
- (g) if A or an *undertaking* in (a) or (d) is an *incorporated friendly society*, a *body corporate* of which that *friendly society* has joint control (as defined in section 13(9)(c) or (cc) of the Friendly Societies Act 1992);

in this definition:

- (i) "participating interest" has the same meaning as in Part VII of the Companies Act 1985 or Part VIII of the Companies (Northern Ireland) Order 1986; but also includes an interest held by an individual which would be a participating interest for the purposes of those provisions if he were an *undertaking*;
- (ii) "associated undertaking" has the meaning given in section 119(1) of the Building Societies Act 1986.

(see also *immediate group*.)

group ISA

an *individual savings account* of which the *plan manager* is the *authorised fund manager*, or in the same *group* as the *authorised fund manager*, of the *authorised fund* by reference to *units* in which the *plan register* is being, or is proposed to be, maintained.

group personal equity plan

(as defined in regulation 2 of the Personal Equity Plan Regulations 1989) a general plan:

- (a) of which the *plan manager* is the *authorised fund manager*, or in the same *group* as the *authorised fund manager*, of the *authorised fund* by reference to *units* in which the *plan register* is being, or is proposed to be, maintained; and
- (b) for the account of which there is no holding of *units* in a *collective investment scheme* other than a holding of *units* in one or more *authorised funds* managed by (or, in the case of an *ICVC*, whose *ACD* is) the *plan manager* or a *body corporate* in the same *group* as the *plan manager*.

group personal

a *personal pension scheme* which is available to employees of the

<i>pension scheme</i>	same employer or of employers within a <i>group</i> .
<i>group plan</i>	a <i>group personal equity plan</i> , a <i>group ISA</i> or a <i>group savings plan</i> .
<i>group savings plan</i>	a savings plan: <ul style="list-style-type: none"> (a) of which the <i>plan manager</i> is the <i>authorised fund manager</i>, or in the same <i>group</i> as the <i>authorised fund manager</i>, of the <i>authorised fund</i> by reference to <i>units</i> in which the <i>plan register</i> is being, or is proposed to be, maintained; (b) under which <i>investments</i> are periodically acquired and held by a nominee for the absolute benefit of the respective subscribers to the savings plan; and (c) under which all the <i>investments</i> are <i>units</i> in one or more <i>authorised funds</i> managed by (or, in the case of an <i>ICVC</i>, whose <i>ACD</i> is) the <i>plan manager</i>, or a <i>body corporate</i> in the same <i>group</i> as the <i>plan manager</i>.
<i>guarantee fund</i>	(in relation to an <i>insurer</i>) an amount equal to the greater of one third of the <i>required margin of solvency</i> and the <i>minimum guarantee fund</i> , as set out in <i>IPRU(INS) 2.9R</i> .
<i>guidance</i>	guidance given by the <i>FSA</i> under the <i>Act</i> .
<i>habitual residence</i>	<ul style="list-style-type: none"> (a) if the <i>policyholder</i> is an individual, the address given by the <i>policyholder</i> as his residence if it reasonably appears to be a residential address and there is no evidence to the contrary; (b) if the <i>policyholder</i> is not an individual or a <i>group</i> of individuals, the State in which the <i>policyholder</i> has its place of establishment, or, if it has more than one, its relevant place of establishment; (c) in respect of the variation of a <i>life policy</i>, or the purchase of a <i>pension annuity</i> related to a <i>life policy</i>, unless there is evidence to the contrary, the habitual residence of the <i>policyholder</i> at the date on which the <i>policyholder</i> signed the proposal for the <i>life policy</i>.
<i>half-yearly accounting period</i>	(in <i>CIS</i>) a period determined in accordance with <i>CIS 9.2.1R(6)</i> (Accounting period).
<i>Handbook</i>	the <i>FSA's Handbook</i> of rules and guidance (for a table of contents, see the Reader's Guide).
<i>higher volatility fund</i>	a <i>regulated collective investment scheme</i> which is: <ul style="list-style-type: none"> (a) a <i>geared futures and options scheme</i>, a <i>geared securities scheme</i> or a <i>warrant scheme</i>; (b) a <i>fund of funds scheme</i> of which one or more of the <i>schemes</i> to which it is <i>dedicated</i> falls within (a); or (c) an <i>umbrella scheme</i>, a <i>sub-fund</i> of which, if it were a separate fund, would fall within (a).
<i>historic price</i>	a <i>price</i> calculated by reference to the <i>valuation point</i> immediately preceding the <i>authorised fund manager's</i> agreement to <i>sell</i> or, as the case may be, to <i>redeem</i> the <i>units</i> in question.

<i>holder</i>	<p>(a) (in relation to a <i>unit</i> in an <i>authorised fund</i>):</p> <p>(i) the <i>shareholder</i>; or</p> <p>(ii) the <i>unitholder</i>;</p> <p>(b) (in relation to a <i>unit</i> in any other <i>collective investment scheme</i>):</p> <p>(i) the <i>person</i> who is entered in the <i>register</i> of the <i>scheme</i> as the <i>holder</i> of that <i>unit</i>; or</p> <p>(ii) the bearer of a <i>bearer certificate</i> representing that <i>unit</i>.</p>
<i>holding company</i>	<p>(as defined in section 736(1) of the Companies Act 1985 ("subsidiary", "holding company" and "wholly-owned subsidiary"))</p> <p>(in relation to another <i>body corporate</i> ("S")) a <i>body corporate</i> which:</p> <p>(a) holds a majority of the voting rights in S; or</p> <p>(b) is a member of S and has the right to appoint or remove a majority of its board of directors; or</p> <p>(c) is a member of S and controls alone, under an agreement with other shareholders and members, a majority of the voting rights in S.</p>
<i>Holloway sickness policy</i>	a <i>policy</i> offered or effected by a <i>friendly society</i> under the Holloway system.
<i>Home State</i>	<p>(1) (in relation to a <i>credit institution</i>) the <i>EEA State</i> in which the <i>credit institution</i> has been authorised in accordance with the <i>Banking Consolidation Directive</i>.</p> <p>(2) (in relation to an <i>investment firm</i>):</p> <p>(a) if the <i>investment firm</i> is a natural <i>person</i>, the <i>EEA State</i> in which his head office is situated;</p> <p>(b) if the <i>investment firm</i> is a legal <i>person</i>, the <i>EEA State</i> in which its registered office is situated or, if under its national law it has no registered office, the <i>EEA State</i> in which its head office is situated.</p> <p>(3) (in relation to an <i>insurance undertaking</i> with an <i>EEA right</i>) the <i>EEA State</i> in which the registered office of the <i>insurance undertaking</i> is situated.</p> <p>(4) (in relation to a market) the <i>EEA State</i> in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the <i>EEA State</i> in which that body's head office is situated.</p> <p>(5) (in relation to a <i>Treaty firm</i>) the <i>EEA State</i> in which its head office is situated, in accordance with paragraph 1 of Schedule 4 to the <i>Act</i> (Treaty Rights).</p>
<i>Home State authorisation</i>	(as defined in paragraph 3(1)(a) of Schedule 4 to the <i>Act</i> (Treaty Rights)) authorisation of a <i>firm</i> under the law of its <i>Home State</i> to carry on a <i>regulated activity</i> .

<i>Home State regulator</i>	<p>(1) (in relation to an <i>EEA firm</i>) (as defined in paragraph 9 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) the <i>competent authority</i> (under the relevant <i>Single Market Directive</i>) of an <i>EEA State</i> (other than the <i>United Kingdom</i>) in relation to the <i>EEA firm</i> concerned.</p> <p>(2) (in relation to a <i>UK firm</i>) the <i>FSA</i>.</p> <p>(3) (in relation to a <i>Treaty firm</i>) (as defined in paragraph 1 of Schedule 4 to the <i>Act</i> (Treaty Rights)) the competent authority of the <i>firm's Home State</i> for the purpose of its <i>Home State authorisation</i>.</p>
<i>home territory</i>	(in relation to an <i>overseas investment exchange</i> or an <i>overseas clearing house</i>) the country or territory in which its head office is situated.
<i>Host State</i>	the <i>EEA State</i> in which an <i>EEA firm</i> , a <i>UK firm</i> , or a <i>Treaty firm</i> is exercising an <i>EEA right</i> or <i>Treaty right</i> to establish a <i>branch</i> or provide <i>cross border services</i> .
<i>Host State regulator</i>	<p>(1) (in relation to an <i>EEA firm</i> or a <i>Treaty firm</i> exercising an <i>EEA right</i> or <i>Treaty right</i> in the <i>United Kingdom</i>) the <i>FSA</i>.</p> <p>(2) (in relation to a <i>UK firm</i>) (as defined in paragraph 11 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) the <i>competent authority</i> (under the relevant <i>Single Market Directive</i>) of an <i>EEA State</i> (other than the <i>United Kingdom</i>) in relation to a <i>UK firm's</i> exercise of <i>EEA rights</i> there.</p>
<i>ICD</i>	<i>Investor Compensation Directive</i> .
<i>ICD claim</i>	<p>a <i>claim</i>:</p> <p>(a) against an <i>ISD investment firm</i> (including a <i>credit institution</i> which is an <i>ISD investment firm</i>), whether established in the <i>United Kingdom</i> or in another <i>EEA State</i>; and</p> <p>(b) in relation to any of the <i>investment services</i> listed in Section A and paragraph 1 of Section C of the Annex to the <i>ISD</i>.</p>
<i>ICVC</i>	<i>investment company with variable capital</i> .
<i>identification evidence</i>	evidence of the type referred to in <i>ML 3.1.3R(1)</i> .
<i>immediate group</i>	<p>(in relation to an <i>authorised person</i>) (as defined in section 148(11) of the <i>Act</i> (Modification or waiver of rules)) :</p> <p>(a) the <i>authorised person</i>;</p> <p>(b) a <i>parent undertaking</i> of the <i>authorised person</i>;</p> <p>(c) a <i>subsidiary undertaking</i> of the <i>authorised person</i>;</p> <p>(d) a <i>subsidiary undertaking</i> of a <i>parent undertaking</i> of the <i>authorised person</i>;</p> <p>(e) a <i>parent undertaking</i> of a <i>subsidiary undertaking</i> of the</p>

	<i>authorised person.</i>
<i>IMRO</i>	the Investment Management Regulatory Organisation Limited.
<i>in default</i>	the status of being in default following a determination made under <i>COMP</i> 6.3.1R.
<i>income account</i>	(in <i>CIS</i>) an account relating to the <i>income property</i> of an <i>authorised fund</i> .
<i>income equalisation</i>	(in relation to a <i>scheme</i>) a capital sum which, in accordance with a power contained in the <i>instrument constituting the scheme</i> , is included in an allocation of income for a <i>unit</i> issued or sold during the accounting period in respect of which that income allocation is made.
<i>income property</i>	all sums considered by an <i>ICVC</i> or by a <i>manager</i> , in each case after consultation with the auditor, to be in the nature of income received or receivable for the account of and in respect of the property of an <i>authorised fund</i> , but excluding any amount for the time being standing to the credit of the <i>distribution account</i> .
<i>income share</i>	a <i>share</i> in respect of which income is allocated periodically to <i>shareholders</i> under <i>CIS</i> 9.2.3R (Annual allocation of income) or <i>CIS</i> 9.2.6R (Interim allocations of income).
<i>income unit</i>	a <i>unit</i> in an <i>AUT</i> which is not an <i>accumulation unit</i> .
<i>income withdrawals</i>	(a) income withdrawals under section 630 of the Income and Corporation Taxes Act 1988; or (b) payments made under interim arrangements in accordance with section 28A of the Pension Schemes Act 1993; in respect of an election to make income withdrawals, a reference to a <i>private customer</i> , an investor or a <i>policyholder</i> includes, after that <i>person's</i> death, his surviving spouse, or anyone who is, at that time, his dependant, or both.
<i>incoming EEA firm</i>	(in accordance with section 193(1)(a) of the <i>Act</i> (Interpretation of this Part)) an <i>EEA firm</i> which is exercising, or has exercised, its right to carry on a <i>regulated activity</i> in the <i>United Kingdom</i> in accordance with Schedule 3 to the <i>Act</i> (EEA Passport Rights).
<i>incoming firm</i>	(in accordance with section 193(1) of the <i>Act</i> (Interpretation of this Part)) an <i>incoming EEA firm</i> or an <i>incoming Treaty firm</i> .
<i>incoming Treaty firm</i>	(in accordance with section 193(1)(b) of the <i>Act</i> (Interpretation of this Part)) a <i>Treaty firm</i> which is exercising, or has exercised, its right to carry on a <i>regulated activity</i> in the <i>United Kingdom</i> in accordance with Schedule 4 to the <i>Act</i> (Treaty rights).
<i>incorporated friendly society</i>	a society incorporated under the Friendly Societies Act 1992.
<i>independent advice</i>	<i>advice on investments</i> , other than in the form of a <i>direct offer financial promotion</i> , given to a <i>customer</i> by an <i>independent intermediary</i> in relation to <i>packaged products</i> .

<i>independent intermediary</i>	a <i>firm</i> acting as an intermediary, but excluding: <ol style="list-style-type: none"> (a) a <i>firm</i> which is a member of a <i>marketing group</i>; (b) a <i>product provider</i> which <i>sells</i> its own <i>packaged products</i>.
<i>individual member</i>	(in <i>LLD</i>) a <i>member</i> , or <i>former member</i> , who is a natural <i>person</i> .
<i>individual pension contract</i>	a <i>pension policy</i> or <i>pension contract</i> under which contributions are paid to: <ol style="list-style-type: none"> (a) a <i>personal pension scheme</i>; or (b) a retirement benefits scheme, approved under section 591(2)(g) of the Income and Corporation Taxes Act 1988, for the provision of relevant benefits by means of an annuity contract made with an insurance company of the employee's choice.
<i>individual savings account</i>	an account which is a scheme of investment satisfying the conditions prescribed in the <i>ISA Regulations</i> .
<i>industrial and provident society</i>	a society registered or deemed to be registered under the Industrial and Provident Societies Act 1965 or the Industrial and Provident Societies Act (Northern Ireland) 1969.
<i>industrial assurance policy</i>	a policy of industrial assurance, as defined in the Industrial Assurance Act 1923.
<i>industry block</i>	(in <i>DISP</i>) a grouping of <i>firms</i> by common business activity for the purposes of calculating the <i>general levy</i> .
<i>initial margin</i>	<ol style="list-style-type: none"> (1) (in <i>CIS</i>) cash or other property deposited in accordance with the rules of a <i>derivatives</i> market. (2) (in <i>COB</i>) the amount which under the rules of the relevant exchange or <i>clearing house</i> the <i>firm</i> or an <i>intermediate broker</i> would be required to deposit in cash as a fidelity deposit in respect of all the <i>client's</i> open positions in <i>marginied transactions</i> at that time, irrespective of any unrealised profit or loss on such positions, on the assumption that those transactions were the only transactions undertaken under the rules of that exchange or that <i>clearing house</i> by the <i>firm</i> or the <i>intermediate broker</i> at that time. (3) (in <i>LLD</i>) (in relation to a <i>derivative</i> contract or <i>quasi-derivative contract</i>) assets which, before or at the time the contract is entered into, are transferred subject to a condition that the assets (or where the assets transferred are <i>securities</i>, equivalent <i>securities</i>) will be returned on completion of that contract.
<i>initial offer</i>	(in <i>CIS</i>) an <i>offer</i> for sale of <i>units</i> in an <i>authorised fund</i> or in a <i>sub-fund</i> (otherwise than in accordance with arrangements of the type described in <i>CIS</i> 5.15.8R(3)(b)(iii) or (c) (Guarantees and indemnities)), where all or part of the consideration paid for the account of the <i>authorised fund</i> for the <i>units</i> is to be used to acquire the initial <i>scheme property</i> of the <i>authorised fund</i> or the initial <i>scheme property</i> attributable to the <i>sub-fund</i> .
<i>initial outlay</i>	(in relation to an <i>authorised fund</i>) the amount which the <i>authorised</i>

	<i>fund</i> is required to provide in order to obtain rights under a transaction in <i>derivatives</i> , excluding any payment or transfer on exercise of rights.
<i>initial price</i>	(in <i>CIS</i>): <ul style="list-style-type: none"> (a) (in relation to a <i>share</i> of an <i>ICVC</i> or a <i>unit</i> in a <i>single-priced AUT</i>) the <i>price</i> to be paid for a <i>unit</i> of any <i>class</i> during the period of the <i>initial offer</i> under <i>CIS</i> 4.2.4R(1) (Issue of units: initial offer); (b) (in relation to a <i>unit</i> in a <i>dual-priced AUT</i>) such amount as may be agreed by the <i>trustee</i> and <i>manager</i> as being the maximum amount, inclusive of the <i>manager's preliminary charge</i>, if any, which may be paid to the <i>manager</i> for <i>units</i> on an <i>initial offer</i>.
<i>injunction</i>	a court order made by the High Court that prohibits a <i>person</i> from doing or continuing to do a certain act or requires a <i>person</i> to carry out a certain act.
<i>insider dealing</i>	the activity described in section 52 of the Criminal Justice Act 1993, which is in summary: <ul style="list-style-type: none"> (a) the offence of which an individual is guilty if he has information as an insider and: <ul style="list-style-type: none"> (i) in the circumstances described in (b), he deals in securities that are price-affected securities in relation to the information; (ii) (A) he encourages another <i>person</i> to deal in securities that are (whether or not that other knows it) price-affected securities in relation to the information, knowing or having reasonable cause to believe that the dealing would take place in the circumstances mentioned in (b); or <ul style="list-style-type: none"> (B) he discloses the information, otherwise than in the proper performance of the functions of his employment, office or profession, to another <i>person</i>; (b) the circumstances referred to in (a) are that the acquisition or disposal in question occurs on a regulated market (identified in an Order made by the Treasury), or that the <i>person</i> dealing relies on a professional intermediary or is himself acting as a professional intermediary.
<i>insolvency order</i>	an administration order, compulsory winding up order, bankruptcy order, or sequestration order.
<i>insolvent</i>	(in <i>ML</i>) insolvent under regulation 13 of the <i>Money Laundering Regulations</i> .
<i>instrument constituting the scheme</i>	<ul style="list-style-type: none"> (a) (in relation to an <i>ICVC</i>) the <i>instrument of incorporation</i>; (b) (in relation to an <i>AUT</i>) the <i>trust deed</i>; (c) (in relation to a <i>collective investment scheme</i> other than an <i>authorised fund</i>) any instrument to which the <i>operator</i> is a party

	setting out any arrangements with any other <i>person</i> relating to any aspect of the operation or management of the <i>scheme</i> .
<i>instrument of incorporation</i>	the instrument of incorporation of an <i>ICVC</i> (as from time to time amended) initially provided to the <i>FSA</i> in accordance with regulation 14(1)(c) of the <i>OEIC regulations</i> .
<i>insurance accounts rules</i>	Schedule 9A to the Companies Act 1985 (Form and content of accounts of insurance companies) and Schedule 9A to the Companies Act (Northern Ireland) Order 1986.
<i>insurance business</i>	the business of <i>effecting or carrying out contracts of insurance</i> .
<i>insurance component</i>	a <i>qualifying investment</i> prescribed in regulation 9 of the <i>ISA Regulations</i> .
<i>Insurance Directives</i>	the <i>First Life Directive</i> , <i>Second Life Directive</i> and <i>Third Life Directive</i> and the <i>First Non-Life Directive</i> , <i>Second Non-Life Directive</i> and <i>Third Non-Life Directive</i> .
<i>insurance market direction</i>	a direction made by the <i>FSA</i> under section 316(1) of the <i>Act</i> (Direction by Authority).
<i>insurance undertaking</i>	an undertaking, whether or not an <i>insurer</i> , which carries on <i>insurance business</i> .
<i>insurer</i>	a <i>firm</i> with <i>permission</i> to <i>effect or carry out contracts of insurance</i> (other than a <i>bank</i>).
<i>inter-professional business</i>	<p>the business of a <i>firm</i>:</p> <p>(a) when it carries on:</p> <p>(i) <i>regulated activities</i>; or</p> <p>(ii) related <i>ancillary activities</i>;</p> <p>to the extent that the <i>regulated activity</i> that the <i>firm</i> is carrying on is:</p> <p>(A) <i>dealing in investments as principal</i>; or</p> <p>(B) <i>dealing in investments as agent</i>; or</p> <p>(C) acting as an <i>arranger</i>; or</p> <p>(D) giving <i>transaction-specific advice</i> or agreeing to do so;</p> <p>but only if that activity is:</p> <p>(I) in or in respect of an <i>inter-professional investment</i>;</p> <p>(II) undertaken with or for a <i>market counterparty</i>; and</p> <p>(III) carried on from an establishment maintained by the <i>firm</i> in the <i>United Kingdom</i>;</p> <p>(b) but excluding the carrying on of the following activities:</p> <p>(i) the <i>approval</i> by a <i>firm</i> of a <i>financial promotion</i>;</p> <p>(ii) activities carried on between <i>operators</i>, or between</p>

	<p><i>operators and depositaries, of the same collective investment scheme (when acting in that capacity);</i></p> <p>(iii) <i>corporate finance business;</i></p> <p>(iv) <i>safeguarding and administering investments and agreeing to carry on that regulated activity.</i></p>
<i>inter-professional investment</i>	<p>any of the following <i>investments</i> specified in Part III of the <i>Regulated Activities Order</i> (Specified investments):</p> <p>(a) <i>share</i> (article 76);</p> <p>(b) <i>debenture</i> (article 77);</p> <p>(c) <i>government and public security</i> (article 78);</p> <p>(d) <i>warrant</i> (article 79);</p> <p>(e) <i>certificate representing certain securities</i> (article 80);</p> <p>(f) <i>option</i> (article 83); for the purposes of the <i>permission</i> regime, this is sub-divided into:</p> <p>(i) <i>option</i> (excluding a <i>commodity option</i> and an <i>option</i> on a <i>commodity future</i>);</p> <p>(ii) <i>commodity option</i> and <i>option</i> on a <i>commodity future</i>;</p> <p>(g) <i>future</i> (article 84); for the purposes of the <i>permission</i> regime, this is sub-divided into:</p> <p>(i) <i>future</i> (excluding a <i>commodity future</i> and a <i>rolling spot forex contract</i>);</p> <p>(ii) <i>commodity future</i>;</p> <p>(iii) <i>rolling spot forex contract</i>;</p> <p>(h) <i>contract for differences</i> (article 85); for the purposes of the <i>permission</i> regime, this is sub-divided into:</p> <p>(i) <i>contract for differences</i> (excluding a <i>spread bet</i> and a <i>rolling spot forex contract</i>);</p> <p>(ii) <i>spread bet</i>;</p> <p>(iii) <i>rolling spot forex contract</i>;</p> <p>(i) <i>rights to or interests in investments</i> in (a) to (h) (article 89).</p>
<i>inter-syndicate reinsurance</i>	<p>reinsurance between one <i>syndicate year</i> and another, not being <i>reinsurance to close</i>.</p>
<i>interdict</i>	<p>a Scottish court order made by the Court of Session that prohibits a <i>person</i> from doing or continuing to do a certain act or requires a <i>person</i> to carry out a certain act.</p>
<i>interested party</i>	<p>(in relation to an application made under section 60 of the <i>Act</i> (Applications for approval)):</p> <p>(a) the <i>firm</i> making the application;</p> <p>(b) the <i>person</i> in respect of whom the application is being made</p>

	("A"); and
	(c) the <i>person</i> by whom A's services are to be retained, if not the <i>firm</i> making the application.
<i>interim accounting period</i>	(in <i>CIS</i>) a period within an <i>annual accounting period</i> in respect of which an allocation of income is to be made.
<i>interim income allocation date</i>	any date specified in the <i>prospectus</i> of an <i>authorised fund</i> as the date on or before which an allocation of income will be made.
<i>intermediaries offer</i>	(for the purposes of the <i>Code of Market Conduct (MAR 1)</i>) a marketing of <i>securities</i> not yet in issue, by means of an <i>offer</i> by, or on behalf of, the <i>issuer</i> to intermediaries for them to allocate to their own clients.
<i>intermediary</i>	(in <i>LLD</i>) a <i>person</i> who in the course of any business or profession invites other <i>persons</i> to make offers or proposals or to take other steps with a view to entering into <i>contracts of insurance</i> , but not a <i>person</i> who publishes such invitations only on behalf of, or to the order of, some other <i>person</i> .
<i>intermediate broker</i>	(in relation to a transaction in a <i>contingent liability investment</i>) any <i>person</i> acting in the capacity of an intermediary through whom the <i>firm</i> undertakes that transaction.
<i>intermediate customer</i>	(1) (except in <i>COB 3</i>) a <i>client</i> who is not a <i>market counterparty</i> and who is: <ul style="list-style-type: none"> (a) a local authority or public authority; (b) a <i>body corporate</i> whose <i>shares</i> have been <i>listed</i> or <i>admitted to trading</i> on any <i>EEA</i> exchange; (c) a <i>body corporate</i> whose <i>shares</i> have been <i>listed</i> or <i>admitted to trading</i> on the primary board of any <i>IOSCO</i> member country official exchange; (d) a <i>body corporate</i> (including a <i>limited liability partnership</i>) which has (or any of whose <i>holding companies</i> or <i>subsidiaries</i> has) (or has had at any time during the previous two years) called up share capital or net assets of at least £5 million (or its equivalent in any other currency at the relevant time); (e) a <i>special purpose vehicle</i>; (f) a <i>partnership</i> or unincorporated association which has (or has had at any time during the previous two years) net assets of at least £5 million (or its equivalent in any other currency at the relevant time) and calculated in the case of a <i>limited partnership</i> without deducting loans owing to any of the <i>partners</i>; (g) a trustee of a trust (other than an <i>occupational pension scheme</i>, <i>SSAS</i> or <i>stakeholder pension scheme</i>) which has (or has had at any time during the previous two years) assets of at least £10 million (or its equivalent in any

other currency at the relevant time) calculated by aggregating the value of the cash and *designated investments* forming part of the trust's assets, but before deducting its liabilities;

- (h) a trustee of an *occupational pension scheme*, *SSAS* or *stakeholder pension scheme* where the trust has (or has had at any time during the previous two years):
 - (i) at least 50 members; and
 - (ii) assets under management of at least £10 million (or its equivalent in any other currency at the relevant time);
- (i) another *firm*, or an *overseas financial services institution*, when, in relation to *designated investment business*, or related *ancillary activities*, conducted with or for that *firm* or institution, that *firm* or institution is an *intermediate customer* in accordance with *COB 4.1.7R* (Classification of another firm or an overseas financial services institution);
- (j) an *unregulated collective investment scheme*;
- (k) a *client* when he is classified as an *intermediate customer* in accordance with *COB 4.1.9R* (Expert private customer classified as intermediate customer);

but excluding:

- (i) a *regulated collective investment scheme*; and
 - (ii) a *client* who would otherwise be an *intermediate customer*, when he is classified in accordance with:
 - (A) *COB 4.1.12R* (Large intermediate customer classified as market counterparty); or
 - (B) (except for the purposes of *DISP*) *COB 4.1.14R* (Client classified as private customer).
- (2) (in *COB 3*) a *person* in (1) or a *person* who would be such a *person* if he were a *client*.

internal audit function

controlled function CF15 in the *table of controlled functions*, described more fully in *SUP 10.8.6R*.

internal controls

the whole system of controls, financial or otherwise, established by the management of a *firm* in order to:

- (a) carry on the business of the *firm* in an orderly and efficient manner;
- (b) ensure adherence to management policies;
- (c) safeguard the assets of the *firm* and other assets for which the *firm* is responsible; and
- (d) secure as far as possible the completeness and accuracy of the

	<i>firm's</i> records (including those necessary to ensure continuous compliance with the requirements or standards under the <i>regulatory system</i> relating to the adequacy of the <i>firm's</i> financial resources).
<i>introducer</i>	an individual appointed by a <i>provider firm</i> or by an <i>appointed representative</i> of such a <i>firm</i> , to carry out in the course of <i>designated investment business</i> either or both of the following activities: <ul style="list-style-type: none"> (a) effecting introductions; (b) distributing <i>non-real time financial promotions</i>.
<i>introducer appointed representative</i>	an <i>appointed representative</i> appointed by a <i>provider firm</i> whose scope of appointment is limited to: <ul style="list-style-type: none"> (a) effecting introductions; and (b) distributing <i>non-real time financial promotions</i>.
<i>introducing broker</i>	a <i>firm</i> which introduces transactions relating to <i>designated investments arranged (brought about)</i> for its <i>clients</i> to a <i>clearing firm</i> .
<i>introductory period</i>	(in <i>MAR 2</i> (Price stabilising rules)) (in relation to <i>stabilising action</i>) the period starting at the time of the first <i>public announcement</i> from which it could reasonably be deduced that the <i>offer</i> was intended to take place in some form and at some time, and ending with the beginning of the <i>stabilising period</i> .
<i>investment</i>	(in accordance with sections 22(4) (The classes of activity and categories of investments) and 397(13) (Miscellaneous offences) of the <i>Act</i>) any investment, including any asset, right or interest.
<i>investment adviser</i>	(in relation to an <i>authorised fund</i>) a <i>person</i> who is retained by an <i>ICVC</i> , its <i>directors</i> or its <i>ACD</i> or by a <i>manager</i> of an <i>AUT</i> under a commercial arrangement which is not a contract of service: <ul style="list-style-type: none"> (a) to supply any of them with advice in relation to the <i>authorised fund</i> as to the merits of investment opportunities or information relevant to the making of judgments about the merits of investment opportunities; or (b) to exercise for any of them any function concerning the management of the <i>scheme property</i>.
<i>investment adviser (trainee) function</i>	<i>controlled function</i> CF22 in the <i>table of controlled functions</i> , described more fully in <i>SUP 10.10.11R</i> .
<i>investment adviser function</i>	<i>controlled function</i> CF21 in the <i>table of controlled functions</i> , described more fully in <i>SUP 10.10.7R</i> .
<i>investment agreement</i>	any agreement the making or performance of which by either party constitutes a <i>regulated activity</i> , but disregarding the exclusions in Part II of the <i>Regulated Activities Order</i> .
<i>investment company with variable capital</i>	a body incorporated under the <i>OEIC Regulations</i> .
<i>investment firm</i>	any legal person the regular occupation or business of which is the

provision of *core investment services* for third parties on a professional basis, as defined in article 1(2) of the *ISD*, and (in relation to a person with his or its head office in an *EEA State*) a *person*, who is not a legal person, included as an *investment firm* by his or its *Home State*.

(see also *ISD investment firm*.)

*investment
management firm*

a *firm* whose *permitted activities* include *designated investment business*, which is not an *authorised professional firm*, *bank*, *building society*, *credit union*, *friendly society*, *ICVC*, *insurer*, *media firm*, *service company*, *incoming EEA firm* (without a *top-up permission*), *incoming Treaty firm* (without a *top-up permission*) or *UCITS qualifier* (without a *top-up permission*), whose *permission* does not include a *requirement* that it comply with *IPRU(INV) 3* or *10* (Securities and futures firms) or *13* (Personal investment firms) and which is within (a), (b) or (c):

- (a) a *firm*:
 - (i) which was a member of *IMRO* immediately before *commencement*; and
 - (ii) which was not, immediately before *commencement*, subject to the financial supervision requirements of the *FSA* (under section 43 of the Financial Services Act 1986), or *PIA* or *SFA* (under lead regulation arrangements);
- (b) a *firm* whose *permission* includes a *requirement* that it comply with *IPRU(INV) 5* (Investment management firms);
- (c) a *firm*:
 - (i) which was given a *Part IV permission* on or after *commencement*, or which was authorised under section 25 of the Financial Services Act 1986 immediately before *commencement* and was not a member of *IMRO*, *PIA* or the *SFA*; and
 - (ii) for which the most substantial part of its gross income, including *commissions*, from the *regulated activities* included in its *Part IV permission* is derived from one or more of the following activities (based, for a *firm* given a *Part IV permission* after *commencement*, on the business plan submitted as part of the *firm's* application for *permission* or, for a *firm* authorised under section 25 of the Financial Services Act 1986, on the *firm's* financial year preceding its *authorisation* under the *Act*):
 - (A) *managing investments* other than for *private customers* or where the assets managed are primarily *derivatives*;
 - (B) *OPS activity*;
 - (C) acting as the *manager* or *trustee* of an *AUT*;

- (D) acting as the *ACD* or *depository* of an *ICVC*;
- (E) *establishing, operating or winding up a collective investment scheme* (other than an *AUT* or *ICVC*);
- (F) *safeguarding and administering investments*.

investment management function controlled function CF27 in the table of controlled functions, described more fully in SUP 10.10.20R.

investment manager a person who, acting only on behalf of a *client*:

- (a) manages *designated investments* in an account or portfolio on a discretionary basis under the terms of a discretionary management agreement; or
- (b) manages *designated investments* in an account or portfolio on a non-discretionary basis under the terms of a *non-discretionary management agreement*.

investment professional (in accordance with article 19(5) of the *Financial Promotion Order*) (in relation to a *financial promotion*):

- (a) an *authorised person*;
- (b) an *exempt person* when the *financial promotion* relates to a *controlled activity* which is a *regulated activity* in relation to which the *person* is exempt;
- (c) any other *person*:
 - (i) whose ordinary activities involve him in carrying on the *controlled activity* to which the *financial promotion* relates for the purposes of a business carried on by him; or
 - (ii) who it is reasonable to expect will carry on that activity for the purposes of a business carried on by him;
- (d) a government, a local authority (whether in the *United Kingdom* or elsewhere) or an international organisation;
- (e) a *person* ("A") who is a *director, officer* or employee of a *person* ("B") falling within any of (a) to (d) where the *financial promotion* is made to A in that capacity and where A's responsibilities when acting in that capacity involve him in the carrying on by B of *controlled activities*.

investment service a *core investment service* or *non-core investment service*.

Investment Services Directive the Council Directive of 10 May 1993 on investment services in the securities field (No 93/22/EEC).

investment transaction a transaction to *buy, sell, subscribe for or underwrite a security* or *contractually based investment*.

investment trust a *company listed* in the *United Kingdom* or another *EEA State* which:

- (a) is approved by the Inland Revenue Commissioners under section 842 of the Income and Corporation Taxes Act 1988 (or, in the

	case of a newly formed <i>company</i> , has declared its intention to conduct its affairs so as to obtain such approval); or
	(b) is resident in an <i>EEA State</i> other than the <i>United Kingdom</i> and would qualify for such approval if resident and <i>listed</i> in the <i>United Kingdom</i> .
<i>investment trust savings scheme</i>	(a) a <i>dealing service</i> (whether or not held within a <i>pension contract</i>) dedicated to the <i>securities</i> of a particular <i>investment trust</i> , or of <i>investment trusts</i> within a particular <i>marketing group</i> ;
	(b) <i>securities</i> to be acquired through an investment trust savings scheme in (a).
<i>Investor Compensation Directive</i>	the Council Directive of 3 March 1997 on investor compensation schemes (No 97/9/EC).
<i>IOSCO</i>	the International Organisation of Securities Commissions.
<i>IPRU</i>	the Interim Prudential sourcebook, comprising <i>IPRU(BANK)</i> , <i>IPRU(BSOC)</i> , <i>IPRU(FSOC)</i> , <i>IPRU(INS)</i> and <i>IPRU(INV)</i> , or according to the context one of these Interim Prudential sourcebooks.
<i>IPRU(BANK)</i>	the Interim Prudential sourcebook for banks.
<i>IPRU(BSOC)</i>	the Interim Prudential sourcebook for building societies.
<i>IPRU(FSOC)</i>	the Interim Prudential sourcebook for friendly societies.
<i>IPRU(INS)</i>	the Interim Prudential sourcebook for insurers.
<i>IPRU(INV)</i>	the Interim Prudential sourcebook for investment businesses.
<i>ISA</i>	an <i>individual savings account</i> .
<i>ISA manager</i>	a <i>person</i> who is approved by the Inland Revenue for the purposes of the <i>ISA Regulations</i> as an account manager.
<i>ISA Regulations</i>	the Individual Savings Account Regulations 1998 (SI 1998/1870).
<i>ISA transfer</i>	a transaction resulting from a decision, made with or without advice from a <i>firm</i> , by a <i>customer</i> who is an individual, to transfer the <i>investments</i> (or their value) held in his existing <i>ISA</i> in favour of another <i>ISA</i> which may or may not be managed by the same <i>ISA manager</i> .
<i>ISD</i>	<i>Investment Services Directive</i> .
<i>ISD investment firm</i>	an <i>investment firm</i> that has its registered office (or, if it has no registered office, its head office) in an <i>EEA State</i> :
	(a) excluding a <i>person</i> to whom the <i>ISD</i> does not apply under article 2(2) of the <i>ISD</i> ; but
	(b) including a <i>BCD credit institution</i> whose <i>Home State authorisation</i> includes a <i>core investment service</i> .
<i>issue</i>	(in relation to <i>units</i>)
	(1) (except in <i>ENF</i>) the issue of new <i>units</i> by the <i>trustee</i> of an <i>AUT</i>

	or by an <i>ICVC</i> ;
	(2) (in <i>ENF</i>)
	(a) an issue in accordance with (1); and
	(b) the sale of <i>units</i> .
<i>issue price</i>	(in relation to the <i>issue</i> of <i>units</i> of a <i>dual-priced AUT</i>) the price for each <i>unit</i> payable by the <i>manager</i> to the <i>trustee</i> on that <i>issue</i> .
<i>issuer</i>	(except in <i>CIS</i>)
	(1) (in relation to any <i>security</i>) (other than a <i>unit</i> in a <i>collective investment scheme</i>) the <i>person</i> by whom it is or is to be issued;
	(2) (in relation to a <i>unit</i> in a <i>collective investment scheme</i>) the <i>operator</i> of the <i>scheme</i> ;
	(3) (in relation to an interest in a limited <i>partnership</i>) the <i>partnership</i> ;
	(4) (in relation to <i>certificates representing certain securities</i>) the <i>person</i> who issued or is to issue the <i>security</i> to which the certificate or other instrument relates.
<i>joint enterprise</i>	(as defined in article 3(1) of the <i>Regulated Activities Order</i> (Interpretation)) an enterprise into which two or more <i>persons</i> ("the participators") enter for commercial purposes related to a business or businesses (other than the business of engaging in a <i>regulated activity</i>) carried on by them; where a participator is a member of a <i>group</i> , each other member of the <i>group</i> is also to be regarded as a participator in the enterprise.
<i>key features</i>	information about a <i>life policy</i> , <i>scheme</i> or <i>stakeholder pension scheme</i> which is required to be produced in the format specified in <i>COB 6.1</i> (Packaged products and ISA disclosure) to <i>COB 6.5</i> (Content of key features and important information: life policies, schemes, cash deposit ISAs and stakeholder pension schemes).
<i>key individual</i>	(in relation to a <i>UK recognised body</i>):
	(a) its chairman or president;
	(b) its <i>chief executive</i> ;
	(c) a member of its <i>governing body</i> ;
	(d) a <i>person</i> who, alone or jointly with one or more others, is responsible under the immediate authority of a <i>person</i> in (a), (b) or (c) or a committee of the <i>governing body</i> for the conduct of any <i>relevant function</i> .
<i>kind of control</i>	(in relation to a <i>firm</i>) (in accordance with section 179(4) of the <i>Act</i> (Acquiring control)):
	(a) <i>control</i> arising as a result of holding shares in the <i>firm</i> ;
	(b) <i>control</i> arising as a result of holding shares in a <i>parent undertaking</i> of the <i>firm</i> ;

	(c) <i>control</i> arising as a result of the entitlement to exercise or control the exercise of <i>voting power</i> in the <i>firm</i> ;
	(d) <i>control</i> arising as a result of the entitlement to exercise or <i>control</i> the exercise of <i>voting power</i> in a <i>parent undertaking</i> of the <i>firm</i> ;
	in this definition, "shares" has the meaning given in the definition of " <i>controller</i> ".
<i>know your business information</i>	(in <i>ML</i>) information which a <i>relevant firm</i> has about: <ul style="list-style-type: none"> (a) the financial circumstances of a <i>client</i> or any <i>person</i> on whose behalf the <i>client</i> has been acting or is acting; and (b) the features of the <i>transactions</i> which the <i>relevant firm</i> has entered into with or for the <i>client</i> (or that <i>person</i>).
<i>land vehicles</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 3 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), against loss of or damage to vehicles used on land, including motor vehicles but excluding railway rolling stock.
<i>large company</i>	a <i>body corporate</i> which does not qualify as a small company under section 247 of the Companies Act 1985.
<i>large deal</i>	(in <i>CIS</i>) a <i>transaction</i> (or <i>series of transactions</i> in one <i>dealing period</i>) by any <i>person</i> to <i>buy, sell</i> or exchange <i>units</i> in an <i>authorised fund</i> at a total value of £15,000 or its equivalent in the <i>base currency</i> of the <i>authorised fund</i> , or: <ul style="list-style-type: none"> (a) for the purpose of <i>SDRT provision</i>, such other value; or (b) for all or any other specified purposes, such greater value; as may be specified in the <i>prospectus</i> .
<i>large mutual association</i>	a mutual association or unincorporated association with net assets of more than £1.4 million (or its equivalent in any other currency at the relevant time).
<i>large partnership</i>	a <i>partnership</i> or unincorporated association with net assets of more than £1.4 million (or its equivalent in any other currency at the relevant time).
<i>larger denomination share</i>	any <i>share</i> that is not a <i>smaller denomination share</i> .
<i>lead regulated firm</i>	a <i>firm</i> which is the subject of the financial supervision requirements of an <i>overseas regulator</i> in accordance with an agreement between the <i>FSA</i> and that regulator relating to the financial supervision of <i>firms</i> whose head office is within the country of that regulator.
<i>leading insurer</i>	(in relation to a <i>community co-insurance operation</i>) has the same meaning as in the <i>Community Co-Insurance Directive</i> .
<i>legal expenses</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 17 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), against

	risks of loss to the <i>persons</i> insured attributable to their incurring legal expenses (including costs of litigation).
<i>liability of ships</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 12 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), against damage arising out of or in connection with the use of vessels on the sea or on inland water, including third party risks and carrier's liability.
<i>liability subject to compulsory insurance</i>	any liability required under any of the following enactments to be covered by insurance or (as the case may be) by insurance or by some other provisions for securing its discharge: <ul style="list-style-type: none"> (a) section 1(4A)(d) of the Riding Establishments Act 1964 (or any corresponding enactment for the time being in force in Northern Ireland); (b) section 1 of the Employers' Liability (Compulsory Insurance) Act 1969 or Article 5 of the Employers' Liability Order (Defective Equipment and Compulsory Insurance) (Northern Ireland) Order 1972; (c) Part VI of the Road Traffic Act 1988 or Part VIII of the Road Traffic (Northern Ireland) Order 1981.
<i>liability to a policyholder</i>	(in relation to a <i>firm carrying out contracts of insurance</i>) any liability or obligation of that <i>firm</i> to, or in respect of, a <i>policyholder</i> , including any liability or obligation arising: <ul style="list-style-type: none"> (a) from the requirement to treat <i>customers</i> fairly under <i>Principle 6</i>, including with respect to <i>policyholders'</i> reasonable expectations; or (b) from a determination of liability by an <i>Ombudsman</i>; or (c) from any requirement to pay compensation under the <i>regulatory system</i>.
<i>life and annuity</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph I of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance), on human life or a contract to pay annuities on human life, but excluding (in each case) contracts within paragraph III of Part II of that Schedule (Linked long-term).
<i>life policy</i>	(in accordance with the definition of "qualifying contract of insurance" in article 3(1) of the <i>Regulated Activities Order</i>) a <i>long-term insurance contract</i> (which includes a <i>pension policy</i>) other than a reinsurance contract and a <i>pure protection contract</i> .
<i>LIFFE</i>	the London International Financial Futures and Options Exchange.
<i>limitation</i>	a limitation incorporated in a <i>Part IV permission</i> under section 42(7)(a) of the <i>Act</i> (Giving permission) or section 45(4) of the <i>Act</i> (Variation etc on the Authority's own initiative).
<i>limited liability</i>	(a) a <i>body corporate</i> incorporated under the Limited Liability

<i>partnership</i>	Partnerships Act 2000; (b) a <i>body corporate</i> incorporated under legislation having the equivalent effect to the Limited Liability Partnerships Act 2000.
<i>linked benefit</i>	a benefit payable under a <i>life policy</i> or a <i>regulated collective investment scheme</i> the amount of which is determined by reference to: (a) the value of the property of any description (whether specified or not); or (b) fluctuations in the value of any such property; or (c) income from such property; or (d) fluctuations in an index of the value of such property.
<i>linked long-term</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph III of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance), on human life or contracts to pay annuities on human life where the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description (whether or not specified in the contracts) or by reference to fluctuations in, or in an index of, the value of property of any description (whether or not so specified).
<i>listed</i>	(1) (except in <i>LLD</i>) included in an <i>official list</i> . (2) (in <i>LLD</i>) (a) included in an <i>official list</i> ; or (b) in respect of which facilities for <i>dealing</i> on a <i>regulated market</i> have been granted.
<i>listed activity</i>	an activity listed in Annex 1 to the <i>Banking Consolidation Directive</i> .
<i>listed security</i>	any <i>security</i> that is admitted to an <i>official list</i> .
<i>listing rules</i>	the <i>rules</i> made by <i>UKLA</i> governing admission to <i>listing</i> , the continuing obligations of <i>issuers</i> , the enforcement of those obligations and the suspension and cancellation of <i>listing</i> .
<i>LLD</i>	the Lloyd's sourcebook.
<i>Lloyd's actuary</i>	the <i>actuary</i> appointed by the <i>Society</i> under <i>LLD</i> 10.9.1R.
<i>Lloyd's Arbitration Scheme</i>	the Lloyd's Arbitration Scheme (Members and Underwriting Agents Arbitration Scheme) established under Lloyd's Arbitration Scheme (Members and Underwriting Agents Scheme) Byelaw (No 15 of 1992).
<i>Lloyd's Members' Ombudsman</i>	the office of Ombudsman established under Lloyd's Members' Ombudsman Scheme Byelaw (No 13 of 1987).
<i>Lloyd's policy</i>	a <i>contract of insurance</i> written at Lloyd's.
<i>Lloyd's Return</i>	the financial report that the <i>Society</i> is required to submit to the <i>FSA</i> under <i>LLD</i> 15.2.1R.

<i>local</i>	a <i>firm</i> which is a member of a <i>futures</i> and <i>options</i> exchange and whose <i>permission</i> includes a <i>requirement</i> that: <ul style="list-style-type: none"> (a) the <i>firm</i> will not conduct <i>designated investment business</i> other than: <ul style="list-style-type: none"> (i) <i>dealing</i> for its own account on that <i>futures</i> or <i>options</i> exchange; or (ii) <i>dealing</i> for the accounts of other members of the same <i>futures</i> and <i>options</i> exchange; or (iii) making a price to other members of the same <i>futures</i> and <i>options</i> exchange; and (b) the performance of the <i>firm's</i> contracts must be guaranteed by and must be the responsibility of one or more of the clearing members of the same <i>futures</i> and <i>options</i> exchange.
<i>long-term insurance business</i>	the business of <i>effecting</i> or <i>carrying out long-term insurance contracts</i> .
<i>long-term insurance business assets</i>	assets of a <i>member</i> that are: <ul style="list-style-type: none"> (a) in a <i>premium trust fund</i> for <i>long-term insurance business</i>; or (b) <i>funds at Lloyd's</i> that are, for the time being, identified as available to meet <i>long-term insurance business liabilities</i> of the <i>member</i>.
<i>long-term insurance business liabilities</i>	liabilities of a <i>member</i> that are attributable to his <i>long-term insurance business</i> .
<i>long-term insurance business syndicate</i>	a <i>syndicate</i> in which <i>members</i> carry on <i>long-term insurance business</i> .
<i>long-term insurance contract</i>	(in accordance with article 3(1) of the <i>Regulated Activities Order</i> (Interpretation: general)) any <i>contract of insurance</i> within Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance), namely: <ul style="list-style-type: none"> (a) <i>life and annuity</i> (paragraph I); (b) <i>marriage and birth</i> (paragraph II); (c) <i>linked long-term</i> (paragraph III); (d) <i>permanent health</i> (paragraph IV); (e) <i>tontines</i> (paragraph V); (f) <i>capital redemption</i> (paragraph VI); (g) <i>pension fund management</i> (paragraph VII); (g) <i>collective insurance</i> etc (paragraph VIII); (h) <i>social insurance</i> (paragraph IX).
<i>long-term insurer</i>	an <i>insurer</i> with <i>permission</i> to <i>effect</i> or <i>carry out long-term insurance</i>

	<i>contracts.</i>
<i>lower required amount</i>	the lower required amount as defined in <i>LLD</i> 11.2.13R or <i>LLD</i> 11.2.14R.
<i>making arrangements with a view to transactions in investments</i>	<p>the <i>regulated activity</i>, specified in article 25(2) of the <i>Regulated Activities Order</i> (Arranging deals in investments), which is in summary: making arrangements with a view to a <i>person</i> who participates in the arrangements <i>buying, selling</i>, subscribing for or underwriting any of the following <i>investments</i> (whether as <i>principal</i> or agent):</p> <ol style="list-style-type: none"> (a) a <i>designated investment</i>; (b) the <i>underwriting capacity of a Lloyd's syndicate</i>; (c) <i>membership of a Lloyd's syndicate</i>; (d) <i>rights to or interests in investments</i> in (b) or (c).
<i>management accounts</i>	(in relation to a <i>UK recognised body</i>) accounts showing the actual and budgeted income and expenditure of that body over any period.
<i>manager</i>	<ol style="list-style-type: none"> (1) (in relation to an <i>AUT</i>) the <i>firm</i> which is the manager of the <i>AUT</i> in accordance with the <i>trust deed</i>. (2) (as defined in section 423(1) and (2) of the <i>Act</i> (Manager)) (except in relation to a <i>unit trust scheme</i> or a <i>registered friendly society</i>): <ol style="list-style-type: none"> (a) an employee who: <ol style="list-style-type: none"> (i) under the immediate authority of his employer, is responsible, either alone or jointly with one or more other individuals, for the conduct of his employer's business; or (ii) under the immediate authority of his employer or of a <i>person</i> who is a manager in accordance with (i) exercises managerial functions or is responsible for maintaining accounts or other records of his employer; (b) if the employer is not an individual, references in (a) to the authority of the employer are references to the authority: <ol style="list-style-type: none"> (i) in the case of a <i>body corporate</i>, of the directors; (ii) in the case of a <i>partnership</i>, of the partners; and (iii) in the case of an unincorporated association, of its officers or the members of its governing body. (3) (as defined in section 423(3) of the <i>Act</i> (Manager)) (in relation to a <i>body corporate</i>): <ol style="list-style-type: none"> (a) a <i>person</i> (other than an employee of the body) who is appointed by the body to manage any part of its business, including an employee of the <i>body corporate</i> (other than

	<p>the <i>chief executive</i>) who under the immediate authority of a director or <i>chief executive</i> of the <i>body corporate</i> exercises managerial functions or is responsible for maintaining accounts or other records of the <i>body corporate</i>;</p> <p>(b) for the purposes of (a) and in relation to a <i>body corporate</i> whose principal place of business is within the <i>United Kingdom</i>, the <i>chief executive</i> includes only a <i>person</i> who is an employee of the <i>body corporate</i> in accordance with section 417(1) of the <i>Act</i> (Definitions).</p>
<i>managing agent</i>	<p>(as defined in article 3(1) of the <i>Regulated Activities Order</i>) a <i>person</i> who is permitted by the <i>Council</i> in the conduct of his business as an <i>underwriting agent</i> to perform for a <i>member</i> one or more of the following functions:</p> <p>(a) underwriting <i>contracts of insurance</i> at Lloyd's;</p> <p>(b) reinsuring such contracts in whole or in part;</p> <p>(c) paying claims on such contracts.</p>
<i>managing investments</i>	<p>the <i>regulated activity</i>, specified in article 37 of the <i>Regulated Activities Order</i> (Managing investments), which is in summary: managing assets belonging to another <i>person</i> in circumstances which involve the exercise of discretion, if:</p> <p>(a) the assets consist of or include any <i>designated investment</i>; or</p> <p>(b) the arrangements for their management are such that the assets may consist of or include such <i>investments</i>, and either the assets have at any time since 29 April 1988 done so, or the arrangements have at any time (whether before or after that date) been held out as arrangements under which the assets would do so.</p>
<i>managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's</i>	<p>the <i>regulated activity</i>, specified in article 57 of the <i>Regulated Activities Order</i> (Managing the underwriting capacity of a Lloyd's syndicate), of managing the <i>underwriting capacity of a Lloyd's syndicate</i> as a <i>managing agent</i> at Lloyd's.</p>
<i>mandate rules</i>	COB 9.2.
<i>MAR</i>	the Market conduct sourcebook.
<i>margin</i>	<p>(in <i>CIS</i>) cash or other property paid, transferred or deposited under the terms of a <i>derivative</i>; for these purposes cash or property will be treated as having been paid, transferred or deposited if it must be paid, transferred or deposited in order to comply with a requirement imposed by the market on which the contract is made or traded.</p>
<i>margin of solvency</i>	<p>the excess of the value of an <i>insurer's</i> assets over the amount of its liabilities, that value and amount being determined in accordance with <i>IPRU(INS)</i> and <i>IPRU(FSOC)</i>.</p>

- margin* (in *CIS*) any contract in *derivatives*.
- margin* (1) (except in *COB 9.3*) a transaction *executed* by a *firm* with or for a *client* relating to a *future*, *option* or *contract for differences* (or any right to or any interest in such an *investment*) under the terms of which the *client* will or may be liable to provide cash or *collateral* to secure performance of obligations which he may have to perform when the transaction falls to be completed or upon the earlier *closing out* of his position.
- (2) (in *COB 9.3*):
- (a) a transaction within (1); or
- (b) an *option* purchased by a *client*, the terms of which provide that the maximum liability of the *client* in respect of the transaction will be limited to the amount payable as premium.
- mark-up or mark-down* (when a *firm* receives a *customer order* and takes a *principal* position in the relevant *investment* in order to fulfil that *customer order*) any difference between:
- (a) the price at which the *firm* takes a *principal* position in the relevant *investment*; and
- (b) the *price* at which the *firm* *executes* the transaction with its *customer*.
- market abuse* (in accordance with section 118 of the *Act* (Market abuse)) *behaviour* (whether by one *person* alone or by two or more *persons* jointly or in concert):
- (a) which occurs in relation to *qualifying investments* traded on a market to which section 118 of the *Act* applies (see *MAR 1* (Code of market conduct));
- (b) which satisfies any one or more of the conditions set out below: and
- (c) which is likely to be regarded by a *regular user* of that market who is aware of the *behaviour* as a failure on the part of the *person* or *persons* concerned to observe the standard of *behaviour* reasonably expected of a *person* in his or their position in relation to the *market*;
- the conditions are that:
- (i) the *behaviour* is based on information which is not generally available to those using the market but which, if available to a *regular user* of the market, would or would be likely to be regarded by him as relevant when deciding the terms on which transactions in *investments* of the kind in question should be effected;
- (ii) the *behaviour* is likely to give a *regular user* of the market a false or misleading impression as to the supply of, or demand for, or as to the price or value of, *investments* of the kind in question;

- (iii) a *regular user* of the market would, or would be likely to, regard the *behaviour* as *behaviour* which would, or would be likely to, distort the market in *investments* of the kind in question.
- market abuse regime* the regime established under the provisions of Part VIII of the *Act* (Penalties for market abuse).
- market contract* a market contract as described in section 155 of the Companies Act 1989 or article 80 of the Companies (No2) (Northern Ireland) Order 1990 which is in summary:
- (a) a contract entered into by a *member* or *designated non-member* of an *RIE* which is either:
- (i) a contract made on the exchange or an exchange to whose undertaking the exchange has succeeded; or
- (ii) a contract in the making of which the *member* or *designated on-member* was subject to the rules of the exchange or of an exchange to whose undertaking the exchange has succeeded;
- (b) a contract entered into by an *RIE* or *RCH* with one of its *members* for the purpose of enabling the rights and liabilities of that *member* under transactions in *investments* to be settled.
- market counterparty* (1) (except in *COB 3*) a *client* who is:
- (a) a properly constituted government (including a quasi-governmental body or a government agency) of any country or territory;
- (b) a central bank or other national monetary authority of any country or territory;
- (c) a supranational whose members are either countries or central banks or national monetary authorities;
- (d) a State investment body, or a body charged with, or intervening in, the management of the public debt;
- (e) another *firm*, or an *overseas financial services institution*, except in relation to *designated investment business*, and related *ancillary activities*, conducted with or for that *firm* or institution, when that *firm* or institution is an *intermediate customer* in accordance with *COB 4.1.7R* (Classification of another firm or an overseas financial services institution);
- (f) any *associate* of a *firm* (except an *OPS firm*), or of an *overseas financial services institution*, if the *firm* or institution consents;
- (g) a *client* when he is classified as a *market counterparty* in accordance with *COB 4.1.12R* (Large intermediate customer classified as a market counterparty);
- but excluding:

	(A) a <i>collective investment scheme</i> ; and
	(B) (except for the purposes of <i>DISP</i>) a <i>client</i> , who would otherwise be a <i>market counterparty</i> , when he is classified as a <i>private customer</i> in accordance with <i>COB 4.1.14R</i> (Client classified as private customer).
	(2) (in <i>COB 3</i>) a <i>person</i> in (1) and a <i>person</i> who would be such a <i>person</i> if he were a <i>client</i> .
<i>market maker</i>	(in relation to an <i>investment</i>) a <i>person</i> who (otherwise than in his capacity as the <i>operator</i> of a <i>regulated collective investment scheme</i>) holds himself out as able and willing to enter into transactions of sale and purchase in <i>investments</i> of that description at prices determined by him generally and continuously rather than in respect of each particular transaction.
<i>market value</i>	the market value as determined in accordance with <i>United Kingdom</i> generally accepted accounting practice.
<i>marketable investment</i>	<p>(a) an <i>investment</i> which is traded on or under the rules of an exchange;</p> <p>(b) a debt instrument which may be transferred without the consent of the <i>issuer</i> or any other <i>person</i> (including a collateralised mortgage obligation);</p> <p>(c) a <i>commodity</i>;</p> <p>(d) a <i>warrant</i>, <i>option</i>, <i>future</i> or other instrument which entitles the holder to subscribe for or acquire:</p> <p>(i) an <i>investment</i> or <i>commodity</i> in (a) to (c); or</p> <p>(ii) any currency; or</p> <p>(iii) any combination of (i) and (ii);</p> <p>(e) a <i>contract for differences</i> (including interest rate and currency swaps) relating to fluctuations in:</p> <p>(i) the value or price of an <i>investment</i> or <i>commodity</i> in (a) to (d); or</p> <p>(ii) any currency; or</p> <p>(iii) the rate of interest in any currency or any index of such rates; or</p> <p>(iv) the level of any index which is derived from the prices of an <i>investment</i> or <i>commodity</i> in (a) to (c); or</p> <p>(v) any combination of (i) to (iv);</p> <p>(f) <i>warrants</i>, <i>options</i>, <i>futures</i> or other instruments entitling the holder to obtain the rights of those contracts in (d) or (e);</p> <p>(g) a <i>unit</i> in a <i>regulated collective investment scheme</i>.</p>
<i>marketing</i>	(in <i>CIS</i>) (in relation to marketing <i>units</i> in a <i>regulated collective investment scheme</i> in a particular country or territory):

	<ul style="list-style-type: none"> (a) <i>communicating</i> to a <i>person</i> in that country or territory an invitation or inducement to become, or offer to become, a <i>holder</i> in that <i>authorised fund</i>; (b) <i>giving advice on investments</i> to, or <i>arranging (bringing about) a deal in an investment</i> for a <i>person</i> in that country or territory to become a <i>holder</i> in that <i>authorised fund</i>.
<i>marketing group</i>	<p>a group of <i>persons</i> who:</p> <ul style="list-style-type: none"> (a) are allied together (either formally or informally) for purposes of marketing <i>packaged products</i> of the marketing group; and (b) each of which, if it holds itself out in the <i>United Kingdom</i> as marketing <i>packaged products</i> to <i>private customers</i>, does so only as an <i>investment manager</i> or in relation to <i>packaged products</i> of the marketing group.
<i>marketing group associate</i>	a <i>firm</i> other than a <i>product provider</i> which is a member of a <i>marketing group</i> .
<i>marriage and birth</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph II of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance), to provide a sum on marriage or on the birth of a child, being contracts expressed to be in effect for a period of more than one year.
<i>material interest</i>	<p>(in <i>COB</i>) (in relation to a transaction) any interest of a material nature, other than:</p> <ul style="list-style-type: none"> (a) disclosable <i>commission</i> on the transaction; (b) goods or services which can reasonably be expected to assist in carrying on <i>designated investment business</i> with or for <i>clients</i> and which are provided or to be provided under a <i>soft commission agreement</i>.
<i>material outsourcing</i>	<i>outsourcing</i> services of such importance that weakness, or failure, of the services would cast serious doubt upon the <i>firm's</i> continuing satisfaction of the <i>threshold conditions</i> or compliance with the <i>Principles</i> .
<i>mathematical reserves</i>	(in <i>LLD</i>) the provision made for a <i>member</i> to cover liabilities (excluding liabilities which have fallen due and liabilities arising from deposit back arrangements) arising under or in connection with <i>long-term insurance contracts</i> .
<i>maxi-ISA</i>	<p>an <i>ISA</i> which includes a <i>stocks and shares component</i> and may also include other <i>qualifying investments</i> such as:</p> <ul style="list-style-type: none"> (a) a <i>cash component</i>; (b) an <i>insurance component</i>; <p>as prescribed in paragraphs 7, 8 and 9 respectively of the <i>ISA Regulations</i>.</p>
<i>media firm</i>	a <i>firm</i> whose only <i>permitted activities</i> are <i>advising on investments</i> and <i>agreeing to carry on that regulated activity</i> , and whose <i>Part IV</i>

	<p><i>permission</i> includes <i>requirements</i> to the effect that the <i>firm</i> must advise:</p> <ul style="list-style-type: none"> (a) only through the media; and (b) without conveying the impression that the advice is particularly suitable for any <i>person</i>, except when it is given in response to a specific request for advice from that <i>person</i>; <p>in this definition, "media" means:</p> <ul style="list-style-type: none"> (i) newspapers, journals, magazines or other periodical publications; (ii) services comprising regularly updated news or information; (iii) services consisting of the broadcast or transmission of television or radio programmes.
<i>member</i>	<ul style="list-style-type: none"> (1) (except in <i>PROF</i>, <i>ENF</i> 18 and <i>REC</i>) a <i>person</i> admitted to membership of the <i>Society</i> or any <i>person</i> by law entitled or bound to administer his affairs. (2) (in <i>PROF</i> and <i>ENF</i> 18) (as defined in section 325(2) of the <i>Act</i> (Authority's general duty)) (in relation to a profession) a <i>person</i> who is entitled to practise that profession and, in practising it, is subject to the rules of the relevant <i>designated professional body</i>, whether or not he is a member of that body. (3) (in <i>REC</i>) (in relation to a <i>recognised body</i>) a <i>person</i> who is entitled, under an arrangement or agreement between him and that body, to use that body's <i>facilities</i>.
<i>member's margin</i>	the amount determined in accordance with <i>LLD</i> 11.3.1R (General insurance business) or <i>LLD</i> 11.3.4R (Long-term insurance business).
<i>members' adviser</i>	a <i>firm</i> whose <i>permission</i> includes <i>advising on syndicate participation at Lloyd's</i> , but which is not an <i>underwriting agent</i> .
<i>members' agent</i>	an <i>underwriting agent</i> who carries on the <i>regulated activity</i> of <i>advising on syndicate participation at Lloyd's</i> .
<i>membership of a Lloyd's syndicate</i>	the <i>investment</i> , specified in article 86(2) of the <i>Regulated Activities Order</i> , which is a <i>person's</i> membership (or prospective membership) of a Lloyd's <i>syndicate</i> .
<i>mini-ISA</i>	<p>an <i>ISA</i> which contains only one of the following <i>qualifying investments</i>:</p> <ul style="list-style-type: none"> (a) a <i>stocks and shares component</i>; (b) a <i>cash component</i>; (c) an <i>insurance component</i>; <p>as prescribed in paragraph 7, 8 or 9 respectively of the <i>ISA Regulations</i>.</p>
<i>minimum guarantee fund</i>	(in <i>LLD</i>) a minimum guarantee fund as defined in <i>IPRU(INS)</i> 2.9.

<i>minimum levy</i>	(in <i>DISP</i>) the fixed minimum <i>general levy</i> payable by a <i>firm</i> .
<i>miscellaneous financial loss</i>	<p>(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i>, specified in paragraph 16 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (General contracts of insurance), against any of the following risks:</p> <ul style="list-style-type: none"> (a) risks of loss to the <i>persons</i> insured attributable to interruptions of the carrying on of business carried on by them or to reduction of the scope of business so carried on; (b) risks of loss to the <i>persons</i> insured attributable to their incurring unforeseen expense (other than loss such as is covered by contracts within paragraph 18 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Assistance)); (c) risks which do not fall within paragraphs (a) or (b) and which are not of such a kind that <i>contracts of insurance</i> against them fall within any other provision of Schedule 1 to the <i>Regulated Activities Order</i>.
<i>misleading statements and practices offence</i>	<p>any of the offences described in section 397 of the <i>Act</i> (Misleading statements and practices), which are in summary:</p> <ul style="list-style-type: none"> (a) the offence of: <ul style="list-style-type: none"> (i) making a statement, promise or forecast, which the <i>person</i> making the statement, promise or forecast knows to be misleading, false or deceptive in a material particular; or (ii) dishonestly concealing any material facts whether in connection with a statement, promise or forecast made by the <i>person</i> concealing the facts or otherwise; or (iii) recklessly making (dishonestly or otherwise) a statement, promise or forecast which is misleading, false or deceptive in a material particular; <p>where the <i>person</i> makes the statement, promise or forecast or conceals the facts for the purpose of inducing, or is reckless as to whether it may induce, another <i>person</i> (whether or not that <i>person</i> is the same <i>person</i> to whom the statement, promise or forecast is made):</p> <ul style="list-style-type: none"> (A) to enter or offer to enter into, or to refrain from entering or offering to enter into, a relevant agreement; or (B) to exercise, or refrain from exercising, any rights conferred by a relevant investment; (b) the offence of doing any act or engaging in any course of conduct which creates a false or misleading impression as to the market in or the price or value of any relevant investments where the act was done or the course of conduct engaged in for the purpose of creating that impression and of thereby inducing another <i>person</i> to acquire, dispose of, subscribe for or underwrite those

investments or to refrain from doing so, or to exercise, or refrain from exercising, any rights conferred by those investments;

in this definition:

"relevant agreement" means an agreement:

- (I) the entering into or performance of which by either party constitutes an activity of a kind specified in an order made by the Treasury or one which falls within a specified class of activity; and
- (II) which relates to a relevant investment;

"relevant investment" means an investment of a kind specified in an order made by the Treasury or one which falls within a class of investment prescribed in regulations made by the Treasury.

<i>mixed remittance</i>	a remittance that is part <i>client money</i> and part other <i>money</i> .
<i>ML</i>	the Money Laundering sourcebook.
<i>MLRO</i>	<i>money laundering reporting officer</i> .
<i>Model Code</i>	the Model Code on directors' dealings in securities set out in the appendix to Chapter 16 of the <i>listing rules</i> .
<i>money</i>	any form of money, including cheques and other payable orders.
<i>money laundering</i>	any act which constitutes an offence under: <ul style="list-style-type: none">(a) section 93A, 93B or 93C of the Criminal Justice Act 1988 (which relate to the handling etc of proceeds of certain criminal conduct); in <i>ML</i> the definition of criminal conduct in section 93A(7) is to be read as:<ul style="list-style-type: none">"(i) conduct which constitutes an offence to which Part VI of that Act (Confiscation of the Proceeds of an Offence) applies; or(ii) conduct which:<ul style="list-style-type: none">(A) would constitute such an offence if it had occurred in England and Wales or (as the case may be) Scotland; and(B) contravenes the law of the country in which it occurred"; or(b) section 49, 50 or 51 of the Drug Trafficking Act 1994 (which relate to the handling etc of the proceeds of drug trafficking); or(c) section 42A or 43 of the Criminal Justice (Scotland) Act 1987 (which relate to the handling etc of proceeds of drug trafficking); or(d) section 11 of the Prevention of Terrorism (Temporary Provisions) Act 1989 (which relate to financial assistance for terrorism); or

- (e) section 14 of the Criminal Justice (International Cooperation) Act 1990 (concealing or transferring proceeds of drug trafficking); or
- (f) article 29 or 30 of the Criminal Justice (Confiscation) (Northern Ireland) Order 1990 (which relate to the handling etc of proceeds of drug trafficking); or
- (g) section 53 or 54 of the Northern Ireland (Emergency Provisions) Act 1991 (which relate to the handling etc of proceeds of terrorist-related activities); or
- (h) any provision, whenever made, which has effect in Northern Ireland and corresponds to any of the provisions mentioned in (a) or (g); or

in any case of an act done otherwise than in England and Wales, Scotland or, as the case may be, Northern Ireland, would constitute such an offence under any of (b) to (h) if done in England and Wales, Scotland or Northern Ireland.

Money Laundering Directive the Council Directive of 10 June 1991 on the prevention of the use of the financial system for the purpose of money laundering (91/308/EEC).

Money Laundering Regulations the Money Laundering Regulations 1993 (SI 1993/1933) (see *ML*).

money laundering reporting function *controlled function* CF11 in the *table of controlled functions*, described more fully in *SUP* 10.7.13R.

money laundering reporting officer the individual appointed by a *relevant firm* in accordance with *ML* 7.1.

money-market scheme an *authorised fund dedicated to*:

- (a) *deposits*; and
- (b) *debentures* which are not *transferable securities*;

whether with or without *securities* which are *transferable securities*.

money-market instrument any of the following *investments*:

- (a) a *debenture* which is issued on terms requiring repayment not later than five years from the date of issue;
- (b) any *government and public security* which is issued on terms requiring repayment not later than one year or, if issued by a local authority in the *United Kingdom*, five years from the date of issue;
- (c) a *warrant* which entitles the holder to subscribe for an *investment* within (a) or (b);
- (d) a *certificate representing certain securities or rights to or interests in investments* relating, in either case, to an *investment* within (a) or (b);

- (e) an *option* relating to:
 - (i) an instrument in (a) or (b); or
 - (ii) currency of the *United Kingdom* or of any other country or territory; or
 - (iii) gold or silver;
 - (f) a *future* for the sale of:
 - (i) an instrument in (a) or (b); or
 - (ii) currency of the *United Kingdom* or of any other country or territory; or
 - (iii) gold or silver;
 - (g) a *contract for differences* by reference to fluctuations in:
 - (i) the value or price of any instrument within any of (a) to (f); or
 - (ii) currency of the *United Kingdom* or of any other country or territory; or
 - (iii) the rate of interest on loans in any such currency or any index of such rates;
 - (h) an *option* to acquire or dispose of an instrument within (e), (f) or (g).
- money-purchase benefits* (in relation to an *occupational pension scheme*) benefits the rate or amount of which are calculated by reference to a payment or payments made by a member of the scheme.
- money-purchase occupational scheme* an *occupational pension scheme* which provides *money-purchase benefits*.
- month* (in accordance with the Interpretation Act 1978) a calendar month.
- motor vehicle liability* (in relation to a *class of contract of insurance*) the *class of contract of insurance*, specified in paragraph 10 of Part I of Schedule 1 to the *Regulated Activities Order* (Contracts of general insurance), against damage arising out of or in connection with the use of motor vehicles on land, including third-party risks and carrier's liability.
- name-passing broker* a *person* who *arranges (brings about) deals* between counterparties at mutually acceptable terms and passes their names to each of them to facilitate the conclusion of a transaction.
- national bureau* (in relation to an *EEA State*) a professional organisation which:
 - (a) has been constituted in that State in accordance with Recommendation No 5 adopted on 25 January 1949 by the Road Transport Sub-committee of the Inland Transport Committee of the United Nations Economic Commission for Europe; and
 - (b) groups together *insurance undertakings* which in that State are

	authorised to conduct the business of motor vehicle liability insurance.
<i>national guarantee fund</i>	(in relation to an <i>EEA State</i>) a body which: <ul style="list-style-type: none"> (a) has been set up or authorised in that State in accordance with article 1(4) of Council Directive (84/5/EEC); and (b) provides compensation for damages to property or personal injuries caused by unidentified vehicles for which the insurance obligation provided for in article 1(1) of that Directive has not been satisfied.
<i>NCIS</i>	National Criminal Intelligence Service.
<i>near cash</i>	<i>money, deposits or investments</i> which, in each case, fall within any of the following: <ul style="list-style-type: none"> (a) <i>money</i> which is deposited with an <i>eligible institution</i> in: <ul style="list-style-type: none"> (i) a current account; or (ii) a deposit account, if the <i>money</i> can be withdrawn immediately and without payment of a penalty exceeding seven <i>days'</i> interest calculated at ordinary commercial rates; (b) certificates of deposit issued by an <i>eligible institution</i> if immediately redeemable at the option of the holder; (c) <i>government and public securities</i>, if redeemable at the option of the holder or bound to be redeemed within two years; (d) bills of exchange which are <i>government and public securities</i>; (e) <i>deposits</i> with a <i>local</i> authority of a kind which fall within paragraph 9 of Part II of the First Schedule to the Trustee Investments Act 1961, and equivalent <i>deposits</i> with any <i>local</i> authority in another <i>EEA State</i>, if the <i>money</i> can be withdrawn immediately and without payment of a penalty as described in (a).
<i>net accumulation share</i>	(in relation to an <i>ICVC</i>) a <i>share</i> in respect of which income (net of any tax deducted or accounted for by an <i>ICVC</i>) is credited periodically to capital under <i>CIS</i> 9.2.4R (Annual allocation to accumulation shares or accumulation units) or <i>CIS</i> 9.2.6R (Interim allocations of income).
<i>net central assets</i>	<i>central assets</i> less the liabilities of the <i>Society</i> (excluding the liabilities of <i>members</i>) valued in accordance with <i>LLD</i> 9 to 15.
<i>network</i>	an <i>independent intermediary</i> : <ul style="list-style-type: none"> (a) which has five or more <i>appointed representatives</i>; or (b) whose <i>appointed representatives</i> (being fewer than five) have, between them, 26 or more <i>financial advisers</i>.
<i>nominee company</i>	a <i>body corporate</i> whose business consists solely of acting as a nominee holder of <i>investments</i> or other property.

<i>non-authorised Voluntary Jurisdiction participant</i>	a participant in the <i>Voluntary Jurisdiction</i> who is not a <i>firm</i> .
<i>non-core investment service</i>	a service listed in section C of the Annex to the <i>ISD</i> , the text of which is set out in Schedule 2 to the <i>Regulated Activities Order</i> (Annex to the Investment Services Directive).
<i>non-directive friendly society</i>	<p>(a) a <i>friendly society</i> whose <i>insurance business</i> is restricted to the provision of benefits which vary according to the resources available and in which the contributions of the members are determined on a flat-rate basis;</p> <p>(b) a <i>friendly society</i> whose <i>long-term insurance business</i> is restricted to the provision of benefits for employed and self-employed <i>persons</i> belonging to an undertaking or group of undertakings, or a trade or group of trades, in the event of death or survival or of discontinuance or curtailment of activity (whether or not the commitments arising from such operations are fully covered at all times by mathematical reserves);</p> <p>(c) a <i>friendly society</i> which undertakes to provide benefits solely in the event of death where the amount of such benefits does not exceed the average funeral costs for a single death or where the benefits are provided in kind;</p> <p>(d) a <i>friendly society</i> (carrying on <i>long-term insurance business</i>):</p> <p style="margin-left: 2em;">(i) whose registered rules contain provisions for calling up additional contributions from members or reducing their benefits or claiming assistance from other <i>persons</i> who have undertaken to provide it; and</p> <p style="margin-left: 2em;">(ii) whose annual gross premium income (other than from contracts of reinsurance) has not exceeded euro 500,000 for each of the three preceding financial years;</p> <p>(e) a <i>friendly society</i> (carrying on <i>general insurance business</i>) whose:</p> <p style="margin-left: 2em;">(i) registered rules contain provisions for calling up additional contributions from members or reducing their benefits; and</p> <p style="margin-left: 2em;">(ii) gross premium income (other than from contracts of reinsurance) for the preceding financial year did not exceed euro 1,000,000;</p> <p>(f) a <i>friendly society</i> whose liabilities in respect of <i>general insurance contracts</i> are fully reinsured with or guaranteed by other mutuals (including <i>friendly societies</i>);</p> <p>and in each case whose <i>insurance business</i> is limited to that described in any of (a) to (f).</p>
<i>non-directive insurer</i>	a non-directive insurer as defined in <i>IPRU(INS)</i> .

<i>non-discretionary management agreement</i>	<p>an agreement for the non-discretionary management of <i>investments</i>:</p> <p>(a) under which the <i>firm</i> agrees to conduct a regular review of the suitability of the <i>client's</i> account or portfolio, based on an assessment of the <i>client's</i> requirements; and</p> <p>(b) that sets out the <i>client's</i> investment objectives, investment strategy, and attitude to risk, the intervals at which the portfolio will be reviewed, and the arrangements for consulting the <i>client</i> about proposed investment decisions.</p>
<i>non-EEA bank</i>	a <i>bank</i> which is a <i>body corporate</i> or <i>partnership</i> formed under the law of any country or territory outside the <i>EEA</i> .
<i>non-executive director</i>	a <i>director</i> who has no responsibility for implementing the decisions or the policies of the <i>governing body</i> of a <i>firm</i> .
<i>non-executive director function</i>	<i>controlled function</i> CF2 in the <i>table of controlled functions</i> , described more fully in <i>SUP</i> 10.6.8R.
<i>Non-Exempt Activities Order</i>	the Financial Services and Markets Act 2000 (Professions) (Non-Exempt Activities) Order 2001 (SI 2001/1227).
<i>Non-Life Directives</i>	the <i>First Non-Life Directive</i> , the <i>Second Non-Life Directive</i> and the <i>Third Non-Life Directive</i> .
<i>non-mainstream regulated activity</i>	a <i>regulated activity</i> of an <i>authorised professional firm</i> in relation to which the conditions in <i>PROF</i> 5.2.1R are satisfied.
<i>non-market-price transaction</i>	<p>a transaction where:</p> <p>(a) the <i>dealing</i> rate or price paid by the <i>firm</i> or its <i>client</i> differs from the prevailing market rate or price to a material extent; or</p> <p>(b) the <i>firm</i> or its <i>client</i> otherwise gives materially more or less in value than it receives in return.</p>
<i>non-real time financial promotion</i>	(in accordance with article 7(2) of the <i>Financial Promotion Order</i>) (as more fully described in <i>COB</i> 3.5.5R ("Real time" and "non-real time" financial promotions)) a <i>financial promotion</i> that is not a <i>real time financial promotion</i> .
<i>non-UCITS scheme</i>	an <i>authorised fund</i> that is not a <i>UCITS scheme</i> .
<i>notice of discontinuance</i>	a notice given by the <i>FSA</i> in accordance with section 389 of the <i>Act</i> (Notices of discontinuance) which states that the <i>FSA</i> has decided not to take the action proposed in a <i>warning notice</i> or the action to which a <i>decision notice</i> relates.
<i>notice of intention</i>	a notice of intention to establish a <i>branch</i> in an <i>EEA State</i> given by a <i>UK firm</i> under paragraph 19(2) of Part III of Schedule 3 to the <i>Act</i> (Exercise of passport rights by UK firms).
<i>notification rule</i>	<p>(1) (in relation to a <i>firm</i>) a <i>rule</i> requiring a <i>firm</i> to give the <i>FSA</i> notice of, or information regarding, an event, but excluding:</p> <p>(a) a <i>rule</i> requiring periodic submission of a report; and</p> <p>(b) a <i>rule</i> in the <i>listing rules</i>.</p>

	(2) (in relation to a <i>recognised body</i>) a <i>rule</i> made by the <i>FSA</i> under section 293 of the <i>Act</i> (Notification requirements) or section 295 of the <i>Act</i> (Notification: overseas investment exchanges and overseas clearing houses) requiring a <i>recognised body</i> to give the <i>FSA</i> :
	(a) notice of, and specified information regarding, specified events relating to the body;
	(b) specified information relating to the body at specified times or in respect of specified periods; and
	(c) any other information required to be given by such a <i>rule</i> .
<i>notified point</i>	a point that is within the two hours immediately following a <i>valuation point</i> and is notified in accordance with <i>CIS</i> 4.3.9R(3) (Issue of units to meet authorised fund manager's obligation to sell) or <i>CIS</i> 15.3.4R(4) (Issue of units: manager's instructions).
<i>notional principal</i>	(a) (in relation to a <i>contract for differences</i> which is an index derivative):
	(i) the current mark to market valuation of a <i>contract for differences</i> which resembles a <i>futures</i> contract; or
	(ii) the exercise value of a <i>contract for differences</i> which resembles an <i>option</i> contract;
	(b) (in relation to any other <i>contract for differences</i>) the notional lot size of the contract.
<i>occupational pension scheme</i>	(as specified in article 3(1) of the <i>Regulated Activities Order</i> (Interpretation)) any scheme or arrangement which is comprised in one or more instruments or agreements and which has, or is capable of having, effect in relation to one or more descriptions or categories of employment so as to provide benefits, in the form of pensions or otherwise, payable on termination of service, or on death or retirement, to or in respect of earners with a qualifying service in an employment of any such description or category.
<i>OECD</i>	Organisation for Economic Co-operation and Development.
<i>OEIC</i>	<i>open-ended investment company</i> . (see also <i>ICVC</i> .)
<i>OEIC Regulations</i>	the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).
<i>off-exchange</i>	(in relation to a transaction in an <i>investment</i>) a transaction which is not <i>on-exchange</i> .
<i>offer</i>	(1) (in <i>MAR</i> 1 (Code of market conduct)) an offer as defined in the <i>Takeover Code</i> . (2) (in <i>MAR</i> 2 (Price stabilising rules)) an offer or an invitation to make an offer and (except in <i>MAR</i> 2.2.3R, <i>MAR</i> 2.4.2R(5) and <i>MAR</i> 2.8.2R(1)(c)) an issue.

<i>offer for cash</i>	an <i>offer</i> which satisfies the conditions set out in <i>MAR 2.1.3R</i> .
<i>offeree</i>	(in <i>MAR 1</i>) an offeree as defined in the <i>Takeover Code</i> .
<i>offeror</i>	(in <i>MAR 1</i>) an offeror as defined in the <i>Takeover Code</i> .
<i>offer price</i>	(1) (except in <i>MAR 2</i> (Price stabilising rules)) the price at which a <i>person</i> could purchase a <i>unit</i> in a <i>dual-priced AUT</i> or a <i>security</i> . (2) (in <i>MAR 2</i>) <i>the specified price</i> at which the <i>relevant security</i> is <i>offered</i> without deducting any <i>selling concession</i> or <i>commission</i> .
<i>officer</i>	(1) (in connection with the exercise of the <i>FSA's</i> power to require information) an officer of the <i>FSA</i> , a member of the <i>FSA's</i> staff or an agent of the <i>FSA</i> . (2) (otherwise) (in relation to a <i>body corporate</i>) (as defined in section 400(5) of the <i>Act</i> (Offences by bodies corporate etc)) a director, member of the committee of management, <i>chief executive</i> , <i>manager</i> , secretary, or other similar officer of the body, or a <i>person</i> purporting to act in that capacity or a <i>controller</i> of the body.
<i>official list</i>	(a) the list maintained by the <i>FSA</i> in accordance with section 74(1) of the <i>Act</i> (The official list) for the purposes of Part VI of the <i>Act</i> (Official Listing); (b) any corresponding list maintained by a <i>competent authority</i> for listing in another <i>EEA State</i> .
<i>oil</i>	mineral oil of any description and petroleum gases, whether in liquid or vapour form, including products and derivatives of oil.
<i>oil collective investment scheme</i>	a <i>collective investment scheme</i> , the property of which consists only of property which is <i>oil</i> or an <i>oil investment</i> or cash awaiting investment.
<i>oil investment</i>	any of the following: (a) a <i>unit</i> in an <i>oil collective investment scheme</i> ; (b) an <i>option</i> to acquire or dispose of an <i>oil investment</i> ; (c) a <i>future</i> where the <i>commodity</i> in question is <i>oil</i> ; (d) a <i>contract for differences</i> where the property in question is <i>oil</i> or an <i>oil investment</i> or the index or other factor in question is linked to or otherwise dependent upon fluctuations in the value or price of <i>oil</i> or any <i>oil investments</i> ; (e) rights to and interests in anything which is an <i>oil investment</i> .
<i>oil market activity</i>	(a) any <i>regulated activity</i> in relation to an <i>oil investment</i> or to <i>oil</i> ; (b) <i>establishing, operating or winding up</i> an <i>oil collective investment scheme</i> .

<i>oil market participant</i>	<p>a <i>firm</i>:</p> <p>(a) which carries on <i>oil market activities</i>, which in the <i>United Kingdom</i> are confined to either or both the following:</p> <p>(i) the performance of management services for the <i>participants</i> in an <i>oil collective investment scheme</i> in which individuals do not participate, and other <i>oil market activities</i> which are performed in relation to any such <i>oil collective investment scheme</i>;</p> <p>(ii) other <i>oil market activities</i> which:</p> <p>(A) are the <i>executing</i> of <i>own-account transactions</i> on any <i>recognised investment exchange</i> or <i>designated investment exchange</i>; or</p> <p>(B) if they are not the <i>executing</i> of transactions on such exchanges, are performed in connection with or for <i>persons</i> who are not individuals; and</p> <p>(b) (except in <i>COB</i>) whose <i>permission</i> includes a <i>requirement</i> that the <i>firm</i> must not carry on any <i>designated investment business</i> other than that in (a).</p>
<i>Ombudsman</i>	a <i>person</i> appointed to the panel of <i>persons</i> maintained by the <i>FOS Ltd</i> to determine complaints, including the Chief Ombudsman.
<i>on-exchange</i>	<p>(a) (in relation to a transaction in the <i>United Kingdom</i>) effected by means of the <i>facilities</i> of, or governed by the <i>rules</i> of, an <i>RIE</i> or a <i>regulated market</i>;</p> <p>(b) (in relation to any other transaction) effected by means of the <i>facilities</i> of, or governed by the <i>rules</i> of, an exchange.</p>
<i>one-off transaction</i>	any transaction other than a transaction carried out in the course of an established business relationship formed by a <i>person</i> acting in the course of relevant financial business.
<i>open</i>	in relation to a <i>syndicate year</i> , one which has not been <i>closed</i> .
<i>open to review</i>	<p>(as defined in section 391(8) of the <i>Act</i> (Publication)) (in relation to a <i>supervisory notice</i> which does not take effect immediately or on a specified date) the status of the matter to which the notice relates when:</p> <p>(a) the period during which any <i>person</i> may refer a matter to the <i>Tribunal</i> is still running; or</p> <p>(b) the matter has been referred to the <i>Tribunal</i> but has not been dealt with; or</p> <p>(c) the matter has been referred to the <i>Tribunal</i> and dealt with but the period during which an appeal may be brought against the <i>Tribunal's</i> decision is still running; or</p> <p>(d) such an appeal has been brought but has not been determined.</p>
<i>open-ended</i>	(as defined in section 236 of the <i>Act</i> (Open-ended investment

investment company companies)) a *collective investment scheme* which satisfies both the property condition and the investment condition:

- (a) the property condition is that the property belongs beneficially to, and is managed by or on behalf of, a *body corporate* ("BC") having as its purpose the investment of its funds with the aim of:
 - (i) spreading investment risk; and
 - (ii) giving its members the benefit of the results of the management of those funds by or on behalf of that body;
- (b) the investment condition is that, in relation to BC, a reasonable investor would, if he were to participate in the *scheme*:
 - (i) expect that he would be able to realise, within a period appearing to him to be reasonable, his investment in the *scheme* (represented, at any given time, by the value of shares in, or securities of, BC held by him as a *participant* in the *scheme*); and
 - (ii) be satisfied that his investment would be realised on a basis calculated wholly or mainly by reference to the value of property in respect of which the *scheme* makes arrangements.

(see also *investment company with variable capital*.)

open-market option the option to apply:

- (a) the proceeds of a *pension policy* or *pension contract*; or
- (b) the proceeds of a *money-purchase occupational scheme* for a particular occupational scheme member;

to purchase an annuity on the open market from a *long-term insurer*.

operator

- (1) (except in *ENF*):
 - (a) (in relation to an *AUT*) the *manager*;
 - (b) (in relation to an *ICVC*) that *company* or, if applicable, the *authorised corporate director*;
 - (c) (in relation to any other *collective investment scheme* that is a *unit trust scheme* with a separate *trustee*) any *person* who, under the *trust deed* establishing the *scheme*, is responsible for the management of the property held for or within the *scheme*;
 - (d) (in relation to any other *collective investment scheme* that is an *open-ended investment company*) that *company* or, if applicable, any *person* who, under the constitution or founding arrangements of the *scheme*, is responsible for the management of the property held for or within the *scheme*;
 - (e) (in relation to an *investment trust savings scheme*) any *person* appointed, by those responsible for managing the

property of the *investment trust*, to manage the *investment trust savings scheme*.

- (2) (in *ENF*) (in accordance with section 237(2) of the *Act* (Other definitions)):
 - (a) (in relation to a *unit trust scheme* with a separate *trustee*) the manager; and
 - (b) (in relation to an *open-ended investment company*) that company.
- OPS activity*
 - (a) *managing investments* in a case where the assets managed are:
 - (i) held for the purposes of an *occupational pension scheme*; or
 - (ii) held for the purposes of a *welfare trust* established by a *person* who is, or has been at any time during the last 12 *months*, an *associate* of the *OPS firm*; or
 - (iii) assets of an *OPS collective investment scheme*;
 - (b) any one or more of the following activities undertaken in the course of, or incidental to, the operation of an *occupational pension scheme*, *welfare trust* or *OPS collective investment scheme*:
 - (i) *dealing in investments as principal*;
 - (ii) *dealing in investments as agent*;
 - (iii) *arranging (bringing about) deals in investments*;
 - (iv) *making arrangements with a view to transactions in investments*;
 - (v) *safeguarding and administering investments*;
 - (vi) *advising on investments*;
 - (vii) receiving or holding *client money*.
- OPS collective investment scheme* a *collective investment scheme* the contributions to which consist entirely of assets held for an *occupational pension scheme*.
- OPS firm*
 - (a) (except in *IPRU(INV)*) a *firm* which:
 - (i) carries on *OPS activity*; and
 - (ii) is one or more of the following:
 - (A) a trustee of the *occupational pension scheme* in question;
 - (B) a *company* owned by the trustees of the *occupational pension scheme* in question;
 - (C) a *company* which is:
 - (I) an employer in relation to the *occupational pension scheme* in question in respect of its employees or former employees or their

	dependants; or
	(II) a <i>company</i> within the <i>group</i> which includes an employer within (I); or
	(III) an administering authority subject to the Local Government Superannuation Regulations 1986; or
	(b) a <i>firm</i> which:
	(i) has satisfied the requirements set out in (a) at any time during the past 12 <i>months</i> ; but
	(ii) is no longer able to comply with those requirements because of a change in the control or ownership of the employer referred to in (a)(ii) during that period.
<i>option</i>	the <i>investment</i> , specified in article 77 of the <i>Regulated Activities Order</i> (Options), which is an option to acquire or dispose of:
	(a) a <i>designated investment</i> (other than an option); or
	(b) currency of the <i>United Kingdom</i> or of any other country or territory; or
	(c) palladium, platinum, gold or silver; or
	(d) an option to acquire or dispose of an option specified in (a), (b) or (c).
<i>organisation</i>	a <i>body corporate</i> , a <i>partnership</i> , a trust or an unincorporated association.
<i>OTC</i>	<i>over the counter</i> .
<i>OTC derivative</i>	a <i>derivative</i> traded solely <i>over the counter</i> .
<i>other personal wealth</i>	(in <i>LLD</i>) assets of an <i>individual member</i> that are neither part of his <i>funds at Lloyd's</i> nor in a <i>premium trust fund</i> .
<i>outsourcing</i>	the use of a <i>person</i> to provide customised services to a <i>firm</i> other than:
	(a) a member of the <i>firm's governing body</i> acting in his capacity as such; or
	(b) an individual employed by a <i>firm</i> under a contract of service.
<i>over the counter</i>	(in relation to a transaction in an <i>investment</i>) not <i>on-exchange</i> .
<i>overseas clearing house</i>	a <i>clearing house</i> which has neither its head office nor its registered office in the <i>United Kingdom</i> .
<i>overseas financial services institution</i>	an institution authorised in an <i>EEA State</i> other than the <i>United Kingdom</i> by a <i>competent authority</i> , or in any other country or territory by a <i>regulatory body</i> which is a member of <i>IOSCO</i> .
<i>overseas firm</i>	a <i>firm</i> which has its registered office (or, if it has no registered office, its head office) outside the <i>United Kingdom</i> .
<i>overseas introducing</i>	a <i>person</i> , who is not an <i>authorised person</i> :

<i>broker</i>	<ul style="list-style-type: none"> (a) who is resident outside the <i>United Kingdom</i>; and (b) who introduces transactions relating to <i>designated investments arranged (brought about)</i> for its <i>clients</i> to a <i>clearing firm</i> in the <i>United Kingdom</i>.
<i>overseas investment exchange</i>	an investment exchange which has neither its head office nor its registered office in the <i>United Kingdom</i> .
<i>overseas long-term insurer</i>	<p>an <i>insurance undertaking</i> which is not an <i>authorised person</i> and which:</p> <ul style="list-style-type: none"> (a) has its head office in an <i>EEA State</i> other than the <i>United Kingdom</i>, and is entitled to carry on <i>long-term insurance business</i> in that <i>EEA State</i>; or (b) has a <i>branch</i> or agency in an <i>EEA State</i> other than the <i>United Kingdom</i> and is entitled to carry on <i>long-term insurance business</i> in that <i>EEA State</i>; or (c) is authorised to effect or carry on <i>long-term insurance business</i> in the Bailiwick of Jersey, the Bailiwick of Guernsey, the Isle of Man, the Commonwealth of Pennsylvania or the State of Iowa; <p>for the purposes of (a) and (b), Gibraltar is to be regarded as if it were an <i>EEA State</i>.</p>
<i>overseas person</i>	<p>(in accordance with article 3(1) of the <i>Regulated Activities Order (Interpretation)</i>) a <i>person</i> who:</p> <ul style="list-style-type: none"> (a) carries on any of the following <i>regulated activities</i>: <ul style="list-style-type: none"> (i) <i>dealing in investments as principal</i>; (ii) <i>dealing in investments as agent</i>; (iii) <i>arranging (bringing about) deals in investments</i>; (iv) <i>making arrangements with a view to transactions in investments</i>; (v) <i>managing investments</i>; (vi) <i>safe custody and administering investments</i>; (vii) <i>sending dematerialised instructions</i>; (viii) <i>causing dematerialised instructions to be sent</i>; (ix) <i>establishing, operating or winding up a collective investment scheme</i>; (x) <i>acting as trustee of an authorised unit trust scheme</i>; (xi) <i>acting as the depositary or sole director of an open-ended investment company</i>; (xii) <i>establishing, operating or winding up a stakeholder pension scheme</i>; (xiii) <i>advising on investments</i>; (xiv) <i>agreeing to carry on those regulated activities</i>,

disregarding the exclusion in article 72 of the *Regulated Activities Order* (Overseas persons); but

- (b) does not carry on any such activities, or offer to do so, from a permanent place of business maintained by him in the *United Kingdom*.

overseas recognised body an *ROIE* or *ROCH*.

overseas regulator (as defined in section 195(3) of the *Act* (Exercise of power in support of overseas regulator)) an authority in a country or territory outside the *United Kingdom*:

- (a) which is a *Home State regulator*; or
- (b) which exercises any of the following functions:
 - (i) a function corresponding to any function of the *FSA* under the *Act*;
 - (ii) a function corresponding to any function exercised by the *FSA* in its capacity as *competent authority* in relation to the listing of securities;
 - (iii) a function corresponding to any function exercised by the Secretary of State under the Companies Act 1985;
 - (iv) a function in connection with the investigation of conduct of the kind prohibited by Part V of the Criminal Justice Act 1993 (Insider Dealing), or with the enforcement of rules (whether or not having the force of law) relating to such conduct;
 - (v) a function prescribed by regulations made for the purposes of section 195(4) of the *Act* (Exercise of powers) which, in the opinion of the Treasury, relates to companies or financial services.

own account order an order which relates to an *own account transaction*.

own account transaction a transaction *executed* by the *firm* for its own benefit or for the benefit of its *associate*.

own funds own funds as described in articles 34 to 39 of the *Banking Consolidation Directive*.

own-initiative power the *FSA's* power under section 45 of the *Act* (Variation etc on the Authority's own initiative) to vary or cancel a *Part IV permission* otherwise than on the application of a *firm*.

packaged product (a) a *life policy*;

- (b) a *unit* in a *regulated collective investment scheme*;
- (c) an interest in an *investment trust savings scheme*;
- (d) a *stakeholder pension scheme*;

whether or not (in the case of (a), (b) or (c)) held within a *PEP* or an

ISA.

parent undertaking (in accordance with section 420 of the *Act* (Parent and subsidiary undertaking) and section 258 of the Companies Act 1985 (Parent and subsidiary undertakings)):

- (a) (in relation to whether an *undertaking*, other than an *incorporated friendly society*, is a parent undertaking) an *undertaking* which has the following relationship to another *undertaking* ("S"):
- (i) it holds a majority of the voting rights in S; or
 - (ii) it is a member of S and has the right to appoint or remove a majority of its board of directors; or
 - (iii) it has the right to exercise a dominant influence over S through:
 - (A) provisions contained in S's memorandum or articles; or
 - (B) a control contract;
 - (iv) it is a member of S and controls alone, under an agreement with other shareholders or members, a majority of the voting rights in S; or
 - (v) it has a participating interest (as defined in section 260 of the Companies Act 1985) (Participating interests) in S; and
 - (A) actually exercises a dominant influence over S; or
 - (B) it and S are managed on a unified basis; or
 - (vi) it is a *parent undertaking* of a *parent undertaking* of S; or
 - (vii) (except in *REC* and *LLD*) he is an individual and would be a *parent undertaking* if he were an *undertaking*; or
 - (viii) (except in *REC* and *LLD*) it is incorporated in or formed under the law of another *EEA State* and is a parent undertaking within the meaning of any rule of law in that State for purposes connected with implementation of the *Seventh Company Law Directive*;

in relation to (ii) and (iv), the *undertaking* will be treated as a member of S if any of its *subsidiary undertakings* is a member of S, or if any shares in S are held by a *person* acting on behalf of the *undertaking* or any of its *subsidiary undertakings*;

the provisions of Schedule 10A to the Companies Act 1985 (Parent and subsidiary undertakings: supplementary provisions) explain the expressions used in and supplement paragraphs (i) to (vi);

- (b) (in relation to whether an *incorporated friendly society* is a parent undertaking) an *incorporated friendly society* which has

the following relationship to a *body corporate* ("S"):

- (i) it holds a majority of the voting rights in S; or
- (ii) it is a member of S and has the right to appoint or remove a majority of S's board of directors; or
- (iii) it is a member of S and controls alone, under an agreement with other shareholders or members, a majority of the voting rights in S; or
- (iv) it is the *parent undertaking* of a *body corporate* which has the relationship in (i), (ii) or (iii) to S.

<i>Part XX exemption</i>	the exemption from the <i>general prohibition</i> conferred on an <i>exempt professional firm</i> by section 327 of the <i>Act</i> (Exemption from the general prohibition).
<i>Part 30 exemption order</i>	an order under regulation 30.10 of the General Regulations under the US Commodity Exchange Act, issued by the Commodity Futures Trading Commission on 15 May 1989, granting a <i>person</i> exemption from the registration requirement contained in Part 30 of those General Regulations.
<i>Part IV permission</i>	(as defined in section 40(4) of the <i>Act</i> (Application for permission)) a <i>permission</i> given by the <i>FSA</i> under Part IV of the <i>Act</i> (Permission to carry on regulated activities), or having effect as if so given.
<i>participant</i>	(in accordance with section 235(2) of the <i>Act</i> (Collective investment schemes)) a <i>person</i> who participates in a <i>collective investment scheme</i> .
<i>participant firm</i>	a <i>firm</i> other than: <ul style="list-style-type: none">(a) an <i>incoming EEA firm</i> which is a <i>BCD credit institution</i> or <i>ISD investment firm</i> and whose <i>permission</i> is confined to <i>cross border services</i>;(b) an <i>incoming EEA firm</i> without <i>top-up cover</i> which is:<ul style="list-style-type: none">(i) a <i>BCD credit institution</i> whose <i>permission</i> to carry on <i>regulated activities</i> from a <i>UK branch</i> is confined to <i>accepting deposits</i>; or(ii) an <i>ISD investment firm</i> (including a <i>credit institution</i> which is an <i>ISD investment firm</i>) whose <i>permission</i> to carry on <i>regulated activities</i> from a <i>UK branch</i> is confined to <i>passport activities</i>;(c) a <i>service company</i>;(d) the <i>Society</i>, in respect of activities included in its <i>permission</i> under section 315(2) of the <i>Act</i> (The Society: authorisation and permission);(e) a <i>member</i>, in respect of <i>effecting</i> or <i>carrying out Lloyd's policies</i>;(f) an <i>underwriting agent</i>, or <i>members' adviser</i>, in respect of <i>advising on syndicate participation at Lloyd's</i> or <i>managing the underwriting capacity of a Lloyd's syndicate as a managing</i>

	<i>agent at Lloyd's;</i>
	(g) an <i>authorised professional firm</i> that is subject to the rules of the Law Society (England and Wales) or the Law Society of Scotland;
	(h) an <i>ICVC</i> ;
	(i) a <i>UCITS qualifier</i> .
<i>participating security</i>	a participating security as defined in regulation 3 of the Uncertificated Securities Regulations 1995 (SI 1995/3272), which enable title to participating securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument.
<i>partner</i>	(in relation to a <i>firm</i> which is a <i>partnership</i>) any <i>person</i> appointed to direct its affairs, including: <ul style="list-style-type: none"> (a) a <i>person</i> occupying the position of a partner (by whatever name called); and (b) a <i>person</i> in accordance with whose directions or instructions (not being advice given in a professional capacity) the partners are accustomed to act.
<i>partner function</i>	<i>controlled function</i> CF4 in the <i>table of controlled functions</i> , described more fully in SUP 10.6.17R.
<i>partnership</i>	(in accordance with section 417(1) of the <i>Act</i> (Definitions)) any partnership, including a partnership constituted under the law of a country or territory outside the <i>United Kingdom</i> , but not including a <i>limited liability partnership</i> .
<i>passported activity</i>	an activity carried on by an <i>EEA firm</i> , or by a <i>UK firm</i> , under an <i>EEA right</i> .
<i>penny share</i>	a <i>readily realisable security</i> in relation to which the bid-offer spread is 10 per cent or more of the offer price, but not: <ul style="list-style-type: none"> (a) a <i>government and public security</i>; or (b) a <i>share</i> in a <i>company</i> quoted on The Financial Times Stock Exchange 100 Index; or (c) a <i>security</i> issued by a <i>company</i> which, at the time that the <i>firm deals</i> or recommends to the <i>client</i> to <i>deal</i> in the <i>investment</i>, has a market capitalisation of £100 million or more (or its equivalent in any other currency at the relevant time).
<i>pension annuity</i>	an <i>investment</i> purchased with the sums derived from the vesting (partial or full) of a <i>pension policy</i> or <i>pension contract</i> , for the purposes of securing the beneficiary's entitlement to immediate or <i>future benefits</i> .
<i>pension buy-out contract</i>	an annuity contract which complies with paragraph (g) of section 591(2) of the Income and Corporation Taxes Act 1988.
<i>pension contract</i>	a contract under which rights to benefits are obtained by the making of contributions to an <i>occupational pension scheme</i> or to a <i>personal</i>

	<i>pension scheme</i> , where the contributions are paid to a <i>regulated collective investment scheme</i> .
<i>pension fund management</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> specified in paragraph VII of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance) namely: <ul style="list-style-type: none"> (a) <i>pension fund management contracts</i>; and (b) <i>pension fund management contracts</i> which are combined with <i>contracts of insurance</i> covering either conservation of capital or payment of a minimum interest; where effected or carried out by a <i>person</i> who does not carry on a banking business, and otherwise carries on <i>insurance business</i> .
<i>pension fund management contract</i>	(as defined in article 3(1) of the <i>Regulated Activities Order</i> (Interpretation)) a contract to manage the <i>investments</i> of pension funds (other than funds solely for the benefit of the officers or employees of the <i>person</i> effecting or carrying out the contract and their dependants or, in the case of a <i>company</i> , partly for the benefit of officers and employees of its subsidiary or holding company or a subsidiary of its holding company and their dependants; <p>in this definition "subsidiary" and "holding company" mean either <i>subsidiary</i> and <i>holding company</i>, or subsidiary and holding company defined in accordance with article 4 of the Companies (Northern Ireland) Order 1986 (SI 1986) No 1032 (NI 6)) as amended by article 62 of the Companies (No 2) (Northern Ireland) Order 1990 (SI 1990 No 1504 (NI 10)).</p>
<i>pension opt-out</i>	a transaction resulting from a decision made, with or without advice from a <i>firm</i> , by a <i>customer</i> who is an individual, to: <ul style="list-style-type: none"> (a) opt out of an <i>occupational pension scheme</i> of which he is a current member; or (b) decline to become a member of an <i>occupational pension scheme</i> which he is eligible to join or which he will become eligible to join at the end of a waiting period; in favour of a <i>stakeholder pension scheme</i> or a <i>personal pension scheme</i> (including a self-invested <i>personal pension scheme</i>).
<i>pension policy</i>	a contract under which a right to benefits results from contributions made to an <i>occupational pension scheme</i> or to a <i>personal pension scheme</i> , where the contributions are paid to a <i>long-term insurer</i> .
<i>pension scheme</i>	a scheme under which a right to benefits results from contributions made under a <i>pension contract</i> or <i>pension policy</i> .
<i>pension transfer</i>	a transaction resulting from a decision made, with or without advice from a <i>firm</i> , by a <i>customer</i> who is an individual, to transfer deferred benefits from: <ul style="list-style-type: none"> (a) an <i>occupational pension scheme</i>; or (b) an <i>individual pension contract</i> providing fixed or guaranteed

	benefits that replaced similar benefits under a <i>defined benefits pension scheme</i> ;
	to a <i>stakeholder pension scheme</i> or a <i>personal pension scheme</i> (including a self-invested <i>personal pension scheme</i>).
<i>pension transfer specialist</i>	an individual appointed by a <i>firm</i> to check the suitability of a <i>pension transfer</i> or <i>pension opt-out</i> who has passed the required examinations specified in the interim approved examination annexes to <i>TC 2</i> .
<i>pension transfer specialist function</i>	<i>controlled function</i> CF24 in the <i>table of controlled functions</i> , described more fully in <i>SUP 10.10.14R</i> .
<i>PEP</i>	a <i>personal equity plan</i> .
<i>PEP manager</i>	the <i>plan manager</i> of a <i>PEP</i> in accordance with the Personal Equity Plan Regulations 1989.
<i>PEP transfer</i>	a transaction resulting from a decision, made with or without advice from a <i>firm</i> , by a <i>customer</i> who is an individual, to transfer the <i>investments</i> (or their value) held in his existing <i>PEP</i> in favour of another <i>PEP</i> which may or may not be managed by the same <i>PEP manager</i> .
<i>periodic statement</i>	a report which a <i>firm</i> is required to provide to a <i>customer</i> under <i>COB 8.2</i> (Periodic statements).
<i>permanent health</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph IV of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance), providing specified benefits against risks of persons becoming incapacitated in consequence of sustaining injury as a result of an accident or of an accident of a specified class or of sickness or infirmity, being contracts that: <ul style="list-style-type: none"> (a) are expressed to be in effect for a period of not less than five years, or until the normal retirement age of the persons concerned, or without limit of time; and (b) either are not expressed to be terminable by the insurer, or are expressed to be so terminable only in special circumstances mentioned in the contract.
<i>permission</i>	permission to carry on <i>regulated activities</i> ; that is, any of the following: <ul style="list-style-type: none"> (a) a <i>Part IV permission</i>; (b) the permission that an <i>incoming EEA firm</i> has, under paragraph 4(1) of Schedule 3 to the <i>Act</i> (EEA Passport Rights), on qualifying for <i>authorisation</i> under paragraph 12 of that Schedule; (c) the permission that an <i>incoming Treaty firm</i> has, under paragraph 15(1) of Schedule 4 to the <i>Act</i> (Treaty Rights), on qualifying for <i>authorisation</i> under paragraph 2 of that Schedule; (d) the permission that a <i>UCITS qualifier</i> has, under paragraph 2(1) of Schedule 5 to the <i>Act</i> (Persons concerned in Collective

	Investment Schemes);
	(e) the permission that an <i>ICVC</i> has, under paragraph 2(2) of Schedule 5 to the <i>Act</i> (Persons concerned in Collective Investment Schemes);
	(f) the permission that the <i>Society of Lloyd's</i> has, under section 315(2) of the <i>Act</i> (The Society: authorisation and permission), which is to be treated as a <i>Part IV permission</i> for the purposes of Part IV of the <i>Act</i> (Permission to carry on regulated activities) in accordance with section 315(3) of the <i>Act</i> .
<i>permitted activity</i>	a <i>regulated activity</i> which a <i>firm</i> has <i>permission</i> to carry on.
<i>permitted asset exposure limit</i>	a permitted asset exposure limit as defined in <i>LLD 14.5.17R</i> .
<i>permitted counterparty exposure limit</i>	a permitted counterparty exposure limit as defined in <i>LLD 14.6.1R</i> .
<i>permitted immovable</i>	any immovable which falls within <i>CIS 5.8.4R</i> (Permitted immovable) (excluding, in relation to an <i>ICVC</i> , immovable property that is necessary for the direct pursuit of its business).
<i>permitted third party</i>	a third party who is: <ul style="list-style-type: none"> (a) an <i>authorised person</i>; or (b) an <i>exempt person</i> for whom an <i>authorised person</i> is accepting responsibility; or (c) a <i>person</i> lawfully carrying on a <i>regulated activity</i> in another <i>EEA State</i>.
<i>person</i>	(in accordance with the Interpretation Act 1978) any person, including a body of persons corporate or unincorporate (that is, a natural person, a legal person and, for example, a <i>partnership</i>).
<i>personal account transaction</i>	a transaction for the account of an <i>employee</i> of a <i>firm</i> , or his <i>associate</i> , in a <i>designated investment</i> , other than: <ul style="list-style-type: none"> (a) a transaction in a <i>government and public security</i>; or (b) a transaction in a <i>life policy</i>; or (c) a transaction in a <i>unit</i> in a <i>regulated collective investment scheme</i>; or (d) a discretionary transaction if there is no prior communication with the <i>employee</i> and the discretion is not exercised by the <i>firm</i>.
<i>personal equity plan</i>	a scheme of investment satisfying the conditions prescribed in regulations made by the Treasury under section 333 of the Income and Corporation Taxes Act 1988 (the Personal Equity Plan Regulations 1989).
<i>personal investment firm</i>	a <i>firm</i> whose <i>permitted activities</i> include <i>designated investment business</i> , which is not an <i>authorised professional firm</i> , <i>bank</i> , <i>building society</i> , <i>credit union</i> , <i>friendly society</i> , <i>ICVC</i> , <i>insurer</i> , <i>media firm</i> ,

service company, incoming EEA firm (without a top-up permission), incoming Treaty firm (without a top-up permission) or UCITS qualifier (without a top-up permission), whose permission does not include a requirement that it comply with IPRU(INV) 3 (Securities and futures firms), 5 (Investment management firms) or 10 (Securities and futures firms), and which is within (a), (b) or (c):

- (a) a *firm*:
 - (i) which was a member of *PIA* immediately before *commencement*; and
 - (ii) which was not, immediately before *commencement*, subject to the financial supervision requirements of the *FSA* (under section 43 of the Financial Services Act 1986), or *IMRO* or *SFA* (under lead regulation arrangements);
- (b) a *firm* whose *permission* includes a *requirement* that it comply with *IPRU(INV)* 13 (Personal investment firms);
- (c) a *firm*:
 - (i) which was given a *Part IV permission* after *commencement*, or which was authorised under section 25 of the Financial Services Act 1986 immediately before *commencement* and not a member of *IMRO*, *PIA* or *SFA*; and
 - (ii) for whom the most substantial part of its gross income, including *commissions*, from the *regulated activities* included in its *Part IV permission* is derived from one or more of the following activities (based, for a *firm* given a *Part IV permission* after *commencement*, on the business plan submitted as part of the *firm's* application for *permission* or, for a *firm* authorised under section 25 of the Financial Services Act 1986, on the *firm's* financial year preceding its *authorisation* under the *Act*):
 - (A) *advising on investments, or arranging (bringing about) deals in investments*, in relation to *packaged products*;
 - (B) *managing investments for private customers*.

<i>personal pension contract</i>	a <i>pension contract</i> under which contributions (single or regular) are paid to a <i>personal pension scheme</i> .
<i>personal pension policy</i>	a <i>pension policy</i> under which contributions (single or regular) are paid to a <i>personal pension scheme</i> .
<i>personal pension scheme</i>	a scheme of investment in accordance with section 630 of the Income and Corporation Taxes Act 1988.
<i>personal recommendation</i>	a recommendation given to a specific <i>person</i> .

<i>PIA</i>	the Personal Investment Authority Limited.
<i>plan investor</i>	a <i>person</i> entered in the <i>plan register</i> under CIS 6.5.4R(7) (Requirement).
<i>plan manager</i>	in relation to: <ul style="list-style-type: none"> (a) a <i>group personal equity plan</i>, the <i>PEP manager</i>; (b) a <i>group ISA</i>, the <i>ISA manager</i>; (c) a <i>group savings plan</i>, the <i>person</i> primarily responsible for that <i>group savings plan</i>.
<i>plan register</i>	<ul style="list-style-type: none"> (1) (in relation to an <i>ICVC</i>) a record of <i>persons</i> who subscribe to a <i>group plan</i> and for whom <i>shares</i> in the <i>ICVC</i> are held for the purposes of the <i>group plan</i> by the <i>plan manager</i> or a nominee (other than a record for the establishment or maintenance of which no payments are to be made out of the <i>scheme property</i>). (2) (in relation to an <i>AUT</i>) a sub-register to the <i>register</i>, which sub-register records <i>persons</i> who subscribe to a <i>group plan</i> and for whom <i>units</i> in the <i>AUT</i> are held for the purposes of the plan by the <i>plan manager</i> or a nominee (other than any sub-register that has not been established and maintained in accordance with CIS 6.5.4R (Requirement) or for the establishment of which no payments are to be made out of the <i>scheme property</i>).
<i>plan shares</i>	<i>shares</i> entered in a <i>plan register</i> under CIS 6.5.4R(7) (Requirement).
<i>plan units</i>	<i>units</i> entered in a <i>plan register</i> under CIS 6.5.4R(12) (Requirement).
<i>plastic card</i>	a card, or a token with an equivalent function, which a <i>customer</i> can use to pay for goods and services, or to obtain cash or both, such as a credit card, charge card, debit card, cash card or electronic purse.
<i>policy</i>	[awaiting Order under section 424(2) of the <i>Act</i> .]
<i>policyholder</i>	[awaiting Order under section 424(2) of the <i>Act</i> .]
<i>POS Regulations</i>	the Public Offers of Securities Regulations 1995 (SI 1995/1537).
<i>post</i>	(in relation to sending a <i>document</i> by post) sending pre-paid by a postal service which seeks to deliver documents by post within the <i>United Kingdom</i> no later than the next working day in all or the majority of cases, and to deliver by post outside the <i>United Kingdom</i> within such a period as is reasonable in all the circumstances.
<i>Post-BCCI Directive</i>	the European Parliament and Council Directive of 29 June 1995 amending certain directives with a view to reinforcing prudential supervision (No 95/26/EC).
<i>post-sale notice</i>	a notice of a right to cancel an <i>investment agreement</i> given under COB 6.7.30R(2) (Giving the customer notice of a right to cancel).
<i>power of intervention</i>	the power conferred on the <i>FSA</i> under section 196 of the <i>Act</i> (The Power of Intervention) to impose a requirement on an <i>incoming firm</i> .
<i>pre-sale notice</i>	a notice of a right to cancel an <i>investment agreement</i> given under COB

6.7.30R(1) (Giving the customer notice of a right to cancel).

- predecessor scheme* any of the following:
- (a) The Office of the Banking Ombudsman;
 - (b) The Office of the Building Societies Ombudsman;
 - (c) The Insurance Ombudsman Bureau;
 - (d) The Office of the Investment Ombudsman;
 - (e) The Personal Investment Authority Ombudsman Bureau;
 - (f) The Personal Insurance Arbitration Service;
 - (g) The Securities and Futures Authority Complaints Bureau and Arbitration Service;
 - (h) The FSA Complaints Unit and Independent Investigator.
- preliminary charge* a charge upon a sale of units by an authorised fund manager whether or not acting as principal.
- premium*
- (1) (in relation to a general insurance contract) the consideration payable under the contract by the policyholder to the insurer.
 - (2) (in relation to a long-term insurance contract) a payment under the contract; (except in SUP 16.8 (Persistency reports from insurers)) a premium is a regular premium if it is one of a series of payments under the contract:
 - (a)
 - (i) which are payable on dates that are certain or ascertainable at the time the contract is made;
 - (ii) which are payable over a period that exceeds one year in length; and
 - (iii) assuming the policy evidencing the contract is not surrendered or otherwise terminated before the premiums fall due, will fall due on those dates without either party to the contract exercising any option under the contract; or
 - (b) of which the first payment is an obligation under the contract, and subsequent payments, calculated according to an agreed formula, are payable over a period which exceeds one year in length under a collateral written arrangement with the insurer or friendly society.
 - (3) (in relation to an option) the total amount which the purchaser of the option is, or may be, required to pay in consideration for the right to exercise the option.
- premium trust fund* a trust fund into which premiums receivable by members are paid in compliance with a trust deed under LLD 10.3 (Carrying of insurance receivables to trust funds).
- prescribed market* a market which has been prescribed by the Treasury in the Prescribed Markets and Qualifying Investments Order (see MAR 1 (Code of

	market conduct)).
<i>Prescribed Markets and Qualifying Investments Order</i>	the Financial Services and Markets Act 2000 (Prescribed Markets and Qualifying Investments) Order 2001 (SI 2001/996).
<i>prescribed pricing basis</i>	(in relation to a <i>derivative</i> contract, or <i>quasi-derivative contract</i>), the pricing basis set out in <i>IPRU(INS)</i> 4.12R(8) (Derivative contracts).
<i>previous regulator</i>	<p>(1) (in relation to a <i>firm</i> which was authorised under the Banking Act 1987 immediately before <i>commencement</i> or which was a European institution (as defined in the Banking Coordination (Second Council Directive) Regulations 1992) immediately before <i>commencement</i>) the <i>FSA</i>.</p> <p>(2) (in relation to a <i>firm</i> which was a <i>building society</i> immediately before <i>commencement</i>) the Building Societies Commission.</p> <p>(3) (in relation to a <i>firm</i> which was a <i>friendly society</i> immediately before <i>commencement</i>) the Friendly Societies Commission.</p> <p>(4) (in relation to a <i>firm</i> authorised under the Insurance Companies Act 1982 immediately before <i>commencement</i>) the Treasury.</p> <p>(5) (in relation to an <i>underwriting agent</i> which obtained the <i>permission</i> relevant to that category under the Financial Services and Markets Act 2000 (Repeals, Transitional Provisions and Savings) Order 2001 (SI 2001/[number to be added later])) the <i>Society of Lloyd's</i>.</p> <p>(6) (in relation to a <i>firm</i> which was authorised, or which was an <i>appointed representative</i>, under the Financial Services Act 1986 immediately before <i>commencement</i> or which was a European investment firm (as defined in the Investment Services Regulations 1995 (SI 1995/3275)) immediately before <i>commencement</i>) any of:</p> <p>(a) <i>IMRO</i>;</p> <p>(b) <i>PIA</i>;</p> <p>(c) <i>SFA</i>;</p> <p>(d) a <i>recognised professional body</i>; and</p> <p>(e) the <i>FSA</i>;</p> <p>if the <i>firm</i> (or, if relevant, its principal for the purposes of section 44 of the Financial Services Act 1986) was subject in carrying on business to the rules, requirements, regulations or guidance of that body.</p> <p>(7) (in relation to an <i>ex-section 43 firm</i>) the <i>FSA</i>.</p>
<i>price</i>	(in relation to a <i>unit</i> in an <i>ICVC</i> or a <i>single-priced AUT</i>) the price of the <i>unit</i> calculated in accordance with <i>CIS</i> 4 (Single pricing and dealing).
<i>price stabilising</i>	the <i>rules</i> made under section 144 of the <i>Act</i> , and appearing in <i>MAR</i> 2.1

<i>rules</i>	to <i>MAR 2.5</i> , together with any other provisions available for their interpretation.
<i>primary pooling event</i>	an event that occurs in the circumstances described in <i>COB 9.5.5R</i> (Failure of the authorised firm: primary pooling event).
<i>PRIN</i>	the part of the <i>Handbook</i> in High Level Standards that has the title Principles for Businesses.
<i>principal</i>	<p>(1) in relation to a <i>person</i>:</p> <p>(a) a <i>person</i> acting on his own account;</p> <p>(b) (if the <i>person</i> is an <i>appointed representative</i>) the <i>authorised person</i> who is party to a contract with the <i>appointed representative</i> resulting in him being exempt under section 39 of the <i>Act</i> (Exemption of appointed representatives).</p> <p>(2) in relation to an <i>option, future</i> or forward contract:</p> <p>(a) (except in the case of an <i>option</i> on a <i>future</i>) the amount of property or the value of the property which must be delivered in order to satisfy settlement of the <i>option, future</i> or forward contract;</p> <p>(b) (in relation to an <i>option</i> on a <i>future</i>) the amount of property or the value of the property which must be delivered in order to satisfy settlement of the <i>future</i>.</p>
<i>Principle</i>	one of the Principles set out in <i>PRIN 2.1.1R</i> (Principles for Businesses).
<i>private customer</i>	<p>(1) (except in <i>COB 3</i>) a <i>client</i> who is not a <i>market counterparty</i> or an <i>intermediate customer</i>, including:</p> <p>(a) an individual who is not a <i>firm</i>;</p> <p>(b) an overseas individual who is not an <i>overseas financial services institution</i>;</p> <p>(c) a <i>regulated collective investment scheme</i>;</p> <p>(d) (except for the purposes of <i>DISP</i>) a <i>client</i> when he is classified as a <i>private customer</i> in accordance with <i>COB 4.1.14R</i> (Client classified as a private customer);</p> <p>but excluding a <i>client</i>, who would otherwise be a <i>private customer</i>, when he is classified as an <i>intermediate customer</i> in accordance with <i>COB 4.1.9R</i> (Expert private customer classified as an intermediate customer).</p> <p>(2) (in <i>COB 3</i>) a <i>person</i> in (1) or a <i>person</i> who would be such a <i>person</i> if he were a <i>client</i>.</p>
<i>private person</i>	<p>(as defined in article 3 of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2000 (SI 2001/2256)):</p> <p>(a) any individual, unless he suffers the loss in question in the</p>

- course of carrying on:
- (i) any *regulated activity*; or
 - (ii) any activity which would be a *regulated activity* apart from any exclusion made by article 72 of the Regulated Activities Order (Overseas persons); and
- (b) any *person* who is not an individual, unless he suffers the loss in question in the course of carrying on business of any kind;

but not including a government, a local authority (in the *United Kingdom* or elsewhere) or an international organisation;

for the purposes of (a), an individual who suffers loss in the course of *effecting or carrying out contracts of insurance written at Lloyd's* is not to be taken to suffer loss in the course of carrying on a *regulated activity*;

in this definition:

- (A) "government" means:
- (I) the government of the *United Kingdom*; or
 - (II) the Scottish Administration; or
 - (III) the Executive Committee of the Northern Ireland Assembly; or
 - (IV) the National Assembly for Wales; or
 - (V) the government of any country or territory outside the *United Kingdom*;
- (B) "international organisation" means any international organisation the members of which include the *United Kingdom* or any other State;
- (C) "local authority", in relation to the *United Kingdom*, means:
- (I) in England and Wales, a local authority as defined in the Local Government Act 1972, the Greater London Authority, the Common Council of the City of London or the Council of the Isles of Scilly;
 - (II) in Scotland, a local authority as defined in the Local Government (Scotland) Act 1973; and
 - (III) in Northern Ireland, a district council as defined in the Local Government Act (Northern Ireland) 1972.

product provider a *firm* which is:

- (a) a *long-term insurer*;
- (b) a *friendly society*;

	(c) the <i>operator</i> of a <i>regulated collective investment scheme</i> or an <i>investment trust savings scheme</i> .
<i>PROF</i>	the Professional firms sourcebook.
<i>professional firm</i>	(in accordance with sections 325(2) (Definition of "members") and 327(2) (Exemption from the general prohibition of the Act) a <i>person</i> which is: <ul style="list-style-type: none"> (a) an individual who is entitled to practise a profession regulated by a <i>designated professional body</i> and in practising it is subject to its rules; or (b) a <i>person</i> (not being an individual) which is managed and controlled by one or more individuals each of whom: <ul style="list-style-type: none"> (i) is entitled to practise a profession regulated by a <i>designated professional body</i>; and (ii) in practising it is subject to the rules of the <i>designated professional body</i>.
<i>prohibition order</i>	an order made by the <i>FSA</i> under section 56 of the <i>Act</i> (Prohibition orders) which prohibits an individual from performing a specified function, any function falling within a specified description or any function.
<i>projection</i>	a projection of the amount of any future benefit payable under a contract or <i>policy</i> , being a benefit the amount of which is not ascertainable under the terms of the contract or <i>policy</i> when the calculation is made.
<i>projection date</i>	the date to which is <i>projection</i> is made.
<i>property enterprise trust</i>	an <i>unregulated collective investment scheme</i> of which the underlying assets are land and buildings.
<i>property investment company</i>	(in <i>CIS</i>) a <i>body corporate</i> , a substantial activity of which relates to <i>permitted immovables</i> (whether by way of investing, dealing in, developing, redeveloping or refurbishing them and whether directly or indirectly).
<i>property related assets</i>	(in <i>CIS</i>): <ul style="list-style-type: none"> (a) <i>shares, debentures</i> or <i>warrants</i> which are issued by a <i>property investment company</i>; (b) <i>certificates representing certain securities</i> which confer rights in respect of an <i>investment</i> within (a).
<i>property scheme</i>	(in <i>CIS</i>) an <i>authorised fund dedicated</i> to <i>permitted immovables</i> and <i>property related assets</i> , whether with or without <i>transferable securities</i> .
<i>prospectus</i>	(in relation to a <i>collective investment scheme</i>) a <i>document</i> containing information about the <i>scheme</i> and complying with the requirements in <i>CIS 3</i> or <i>CIS 17</i> applicable to a prospectus of a <i>scheme</i> of the type concerned.

<i>protected claim</i>	a <i>claim</i> which is covered by the <i>compensation scheme</i> , as defined in <i>COMP 5.2.1R</i> .
<i>protected contract of insurance</i>	a <i>contract of insurance</i> which is covered by the <i>compensation scheme</i> , as defined in <i>COMP 5.4.1R</i> .
<i>protected deposit</i>	a <i>deposit</i> which is covered by the <i>compensation scheme</i> , as defined in <i>COMP 5.3.1R</i> .
<i>protected investment business</i>	<i>designated investment business</i> which is covered by the <i>compensation scheme</i> , as defined in <i>COMP 5.5.1R</i> .
<i>protected items</i>	(as defined in section 413 of the <i>Act</i> (Protected items)) communications (and items which they enclose or refer to and which are in the possession of a <i>person</i> entitled to possession of them) between: <ul style="list-style-type: none"> (a) a professional legal adviser and his client or any <i>person</i> representing his client; or (b) a professional legal adviser, his client or any <i>person</i> representing his client and any other <i>person</i>; where the communication or the item is made: <ul style="list-style-type: none"> (i) in connection with the giving of legal advice to the client; or (ii) in connection with, or in contemplation of, legal proceedings and for the purposes of those proceedings; and is not held with the intention of furthering a criminal purpose.
<i>provider firm</i>	a <i>firm</i> that is: <ul style="list-style-type: none"> (a) a <i>product provider</i>; or (b) a <i>marketing group associate</i>.
<i>prudential context</i>	in relation to activities carried on by a <i>firm</i> , the context in which the activities have, or might reasonably be regarded as likely to have, a negative effect on: <ul style="list-style-type: none"> (a) confidence in the <i>financial system</i>; or (b) the ability of the <i>firm</i> to meet either: <ul style="list-style-type: none"> (i) the "fit and proper" test in <i>threshold condition 5</i> (Suitability); or (ii) the applicable requirements and standards under the <i>regulatory system</i> relating to the <i>firm's</i> financial resources.
<i>public announcement</i>	any communication made by or on behalf of the <i>issuer</i> or the <i>stabilising manager</i> being a communication made in circumstances in which it is likely that members of the public will become aware of the communication.
<i>public offer</i>	an offer of <i>securities</i> to the public and described in the <i>POS Regulations</i> .

*published
recommendation*

any publication by or on behalf of a *firm* (including publication by sound broadcasting or television or other electronic means) which contains:

- (a) the results of research into *investments*; or
- (b) analysis of factors likely to influence the future performance of *investments*; or
- (c) advice or recommendations based on those results or analysis, including any communication of which the content is common to a number of communications although worded as if it were a *personal recommendation*.

*pure protection
contract*

a *long-term insurance contract* in respect of which the following conditions are met:

- (a) the benefits under the contract are payable only on death or in respect of incapacity due to injury, sickness or infirmity;
- (b) the contract provides that benefits are payable on death (other than death due to an accident) only where the death occurs within ten years of the date on which the life of the person in question was first insured under the contract, or where the death occurs before that person attains a specified age not exceeding seventy years;
- (c) the contract has no surrender value, or the consideration consists of a single premium and the surrender value does not exceed that premium;
- (d) the contract makes no provision for its conversion or extension in a manner which would result in it ceasing to comply with any of (a), (b) or (c); and
- (e) the contract is not a reinsurance contract.

pure reinsurer

an *insurer* whose *insurance business* is restricted to reinsurance.

qualified valuer

(in relation to any particular type of land in any particular area) a fellow or professional associate of the Royal Institution of Chartered Surveyors, a fellow or associate of the Incorporated Society of Valuers and Auctioneers, or a fellow or associate of the Rating and Valuation Association, who:

- (a) has knowledge of and experience in the valuation of that particular type of land in that particular area; or
- (b) has knowledge of and experience in the valuation of land and has taken advice from a valuer who he is satisfied has knowledge of and experience in the valuation of that particular type of land in that particular area; or
- (c) immediately before 15 June 1981 was recognised as a qualified valuer by approval by the Secretary of State under the Insurance Companies (Valuation of Assets) Regulations 1976.

qualifying investment an *investment* which has been prescribed by the Treasury in the

	<i>Prescribed Markets and Qualifying Investments Order</i> (see <i>MAR 1</i> (Code of market conduct)).
<i>quantification date</i>	the date as at which the liability of the <i>relevant person in default</i> is to be determined under <i>COMP 12.3</i> .
<i>quasi-derivative contract</i>	a contract or asset having the effect of a <i>derivative</i> contract.
<i>railway rolling stock</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 5 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), against loss of or damage to railway rolling stock.
<i>RCH</i>	a <i>recognised clearing house</i> .
<i>RDC</i>	<i>Regulatory Decisions Committee</i> .
<i>readily realisable investment</i>	(a) a <i>packaged product</i> ; (b) a <i>readily realisable security</i> .
<i>readily realisable security</i>	(a) a <i>government or public security</i> denominated in the currency of the country of its <i>issuer</i> ; (b) any other <i>security</i> which is: (i) admitted to <i>official listing</i> on an exchange in an <i>EEA State</i> ; or (ii) regularly traded on or under the rules of such an exchange; or (iii) regularly traded on or under the rules of a <i>recognised investment exchange</i> or (except in relation to <i>unsolicited real time financial promotions</i>) <i>designated investment exchange</i> ; (c) a newly issued <i>security</i> which can reasonably be expected to fall within (b) when it begins to be traded.
<i>real time financial promotion</i>	(in accordance with article 7(1) of the <i>Financial Promotion Order</i>) (as more fully described in <i>COB 3.5.5R</i> ("Real time" and "non-real time" financial promotions)) a <i>financial promotion</i> made in the course of a personal visit, telephone conversation or other interactive dialogue.
<i>REC</i>	the Recognised Investment Exchange and Recognised Clearing House sourcebook.
<i>receivable</i>	(in <i>LLD</i>) (in relation to a <i>member</i> , a period and a <i>premium</i>) a <i>premium</i> due to the <i>member</i> in respect of <i>contracts of insurance</i> effected during the period, whether or not the <i>premium</i> is received during that period.
<i>recognised body</i>	an <i>RIE</i> or an <i>RCH</i> .
<i>recognised clearing house</i>	a <i>clearing house</i> which is declared by a <i>recognition order</i> for the time being in force to be a recognised clearing house.
<i>recognised investment exchange</i>	an investment exchange which is declared by a <i>recognition order</i> for the time being in force to be a recognised investment exchange.

<i>recognised overseas clearing house</i>	an <i>overseas clearing house</i> which is declared by a <i>recognition order</i> for the time being in force to be a <i>recognised clearing house</i> .
<i>recognised overseas investment exchange</i>	an <i>overseas investment exchange</i> which is declared by a <i>recognition order</i> for the time being in force to be a <i>recognised investment exchange</i> .
<i>recognised professional body</i>	any of the following professional bodies (which were the recognised professional bodies for the purposes of the Financial Services Act 1986): <ul style="list-style-type: none"> (a) The Law Society (England and Wales); (b) The Law Society of Scotland; (c) The Law Society of Northern Ireland; (d) The Institute of Chartered Accountants in England and Wales; (e) The Institute of Chartered Accountants of Scotland; (f) The Institute of Chartered Accountants in Ireland; (g) The Association of Chartered Certified Accountants; (h) The Institute of Actuaries. (see also <i>designated professional body</i> .)
<i>recognised scheme</i>	a <i>scheme</i> recognised under: <ul style="list-style-type: none"> (a) section 264 of the <i>Act</i> (Schemes constituted in other EEA States); or (b) section 270 of the <i>Act</i> (Schemes authorised in designated countries or territories); or (c) section 272 of the <i>Act</i> (Individually recognised overseas schemes).
<i>recognition order</i>	(in accordance with section 313 of the <i>Act</i> (Interpretation of Part XVIII)) an order made under section 290 or 292 of the <i>Act</i> which declares an investment exchange or <i>clearing house</i> to be a <i>recognised body</i> .
<i>recognition requirement</i>	<ul style="list-style-type: none"> (1) (in relation to a <i>UK RIE</i> or <i>UK RCH</i>) any of the requirements applicable to that body under the <i>Recognition Requirements Regulations</i>. (2) (in relation to a body applying for recognition as a <i>UK RIE</i> or <i>UK RCH</i>) any of the requirements under the <i>Recognition Requirements Regulations</i> which, if its application were successful, would apply to it. (3) (in relation to an <i>ROIE</i> or <i>ROCH</i>, or to an applicant for recognition as an <i>ROIE</i> or <i>ROCH</i>) any of the requirements in section 292(3) of the <i>Act</i> (Overseas investment exchanges and overseas clearing houses).
<i>Recognition Requirements</i>	the Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses)

<i>Regulations</i>	Regulations 2001 (SI 2001/995).
<i>redemption</i>	(1) (except in <i>ENF 17</i> (Collective investment schemes)) (in relation to <i>units</i> in an <i>authorised fund</i>) the purchase of them from their <i>holder</i> by the <i>authorised fund manager</i> acting as a <i>principal</i> . (2) (in <i>ENF 17</i> (Collective investment schemes)) redemption as in (1) but including their cancellation by the <i>trustee</i> of an <i>AUT</i> or by an <i>ICVC</i> .
<i>redemption charge</i>	an amount levied by the <i>operator</i> of a <i>scheme</i> upon the <i>redemption</i> of <i>units</i> , in the case of an <i>authorised fund</i> under: (a) <i>CIS 8.2.7R</i> (Redemption charge: <i>ICVCs</i>); or (b) <i>CIS 8.5.2R</i> (Redemption charge: single-priced <i>AUTs</i>); or (c) <i>CIS 15.4.10R</i> (Redemption charge).
<i>redemption price</i>	the <i>authorised fund manager's price</i> for <i>redemption</i> under <i>CIS 15.4.9R</i> (Redemption price parameters).
<i>register</i>	(in <i>CIS</i>) the register of <i>holders</i> kept under Schedule 3 to the <i>OEIC Regulations</i> or <i>CIS 6.2.1R</i> (Basic requirements) or, in relation to a <i>collective investment scheme</i> that is not an <i>authorised fund</i> , a record of the <i>holders</i> (other than of <i>bearer certificates</i>) of <i>units</i> in it.
<i>registered branch</i>	a branch of a <i>friendly society</i> which is separately registered under the Friendly Societies Act 1974.
<i>registered friendly society</i>	a <i>friendly society</i> registered under section 7(1)(a) of the Friendly Societies Act 1974 or any enactment which it replaced, including any <i>registered branches</i> .
<i>registrar</i>	the <i>person</i> who maintains a <i>register</i> .
<i>regular user</i>	(as defined in section 118(10) of the <i>Act</i> (Market abuse)) a <i>person</i> who is, in relation to a particular market, a reasonable <i>person</i> who regularly deals on that market in <i>investments</i> of the kind in question.
<i>Regulated Activities Order</i>	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).
<i>regulated activity</i>	(in accordance with section 22 of the <i>Act</i> (The classes of activity and categories of investment)) any of the following activities specified in Part II of the <i>Regulated Activities Order</i> (Specified Activities): (a) <i>accepting deposits</i> (article 5); (b) <i>effecting contracts of insurance</i> (article 10(1)); (c) <i>carrying out contracts of insurance</i> (article 10(2)); (d) <i>dealing in investments as principal</i> (article 14); (e) <i>dealing in investments as agent</i> (article 21); (f) <i>arranging (bringing about) deals in investments</i> (article 25(1)); (g) <i>making arrangements with a view to transactions in investments</i> (article 25(2));

- (h) *managing investments* (article 37);
- (i) *safeguarding and administering investments* (article 40); for the purposes of the *permission* regime, this is sub-divided into:
 - (i) *safeguarding and administration of assets (without arranging)*;
 - (ii) *arranging safeguarding and administration of assets*;
- (j) *sending dematerialised instructions* (article 45(1));
- (k) *causing dematerialised instructions to be sent* (article 45(2));
- (l) *establishing, operating or winding up a collective investment scheme* (article 51(1)(a)); for the purposes of the *permission* regime, this is sub-divided into:
 - (i) *establishing, operating or winding up a regulated collective investment scheme*;
 - (ii) *establishing, operating or winding up an unregulated collective investment scheme*;
- (m) *acting as trustee of an authorised unit trust scheme* (article 51(1)(b));
- (n) *acting as the depositary or sole director of an open-ended investment company* (article 51(1)(c));
- (o) *establishing, operating or winding up a stakeholder pension scheme* (article 52);
- (p) *advising on investments* (article 57); for the purposes of the *permission* regime, this is sub-divided into:
 - (i) *advising on investments (except pension transfers and pension opt-outs)*;
 - (ii) *advising on pension transfers and pension opt-outs*;
- (q) *advising on syndicate participation at Lloyd's* (article 56);
- (r) *managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's* (article 53);
- (s) *arranging deals in contracts of insurance written at Lloyd's* (article 58);
- (t) *agreeing to carry on a regulated activity* (article 64);

which is carried on by way of business and relates to a *specified investment* or, in the case of (l), (m), (n) and (o), is carried on in relation to property of any kind.

regulated activity
debt

an obligation to pay a sum due and payable under an agreement, the making or performance of which constitutes or is part of a *regulated activity* carried on by an individual who:

- (a) is, or has been, an *authorised person*; or
- (b) is carrying on, or has carried on, a *regulated activity* in

	contravention of the <i>general prohibition</i> .
<i>regulated collective investment scheme</i>	(a) an <i>ICVC</i> ; or (b) an <i>AUT</i> ; or (c) a <i>recognised scheme</i> ; whether or not the <i>units</i> are held within a <i>PEP</i> , <i>ISA</i> , or <i>pension contract</i> .
<i>regulated institution</i>	subject to the requirements of <i>IPRU</i> and as more fully defined in <i>IPRU</i> , an <i>insurance undertaking</i> , <i>credit institution</i> , <i>friendly society</i> or <i>investment firm</i> .
<i>regulated market</i>	(as defined in article 1 of the <i>ISD</i>) a market for the instruments listed in Section B of the Annex to the <i>ISD</i> which: (a) appears on the list of such markets drawn up by the market's <i>Home State</i> as required by article 16 of the <i>ISD</i> ; (b) functions regularly; (c) is characterised by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and, where Directive 79/279/EEC is applicable, the conditions governing admission to listing imposed in that Directive and, where that Directive is not applicable, the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market; and (d) requires compliance with all the reporting and transparency requirements laid down by articles 20 and 21 of the <i>ISD</i> . (see <i>SUP 17 Ann 5G</i> for a list of these markets.)
<i>regulatory body</i>	any authority, body or <i>person</i> having, or who has had, responsibility for the supervision or regulation of any <i>regulated activities</i> or other financial services, whether in the <i>United Kingdom</i> or overseas.
<i>Regulatory Decisions Committee</i>	a committee of the Board of the <i>FSA</i> , described in <i>DEC 4.2</i> (The Regulatory Decisions Committee).
<i>regulatory function</i>	(as defined in section 291 of the <i>Act</i> (Liability in relation to recognised body's regulatory functions)) any function of a <i>recognised body</i> so far as relating to, or to matters arising out of, the obligations to which the body is subject under or by virtue of the <i>Act</i> .
<i>regulatory objectives</i>	(as described in sections 2(2) and 3 to 6 of the <i>Act</i>): (a) market confidence; (b) public awareness; (c) the protection of <i>consumers</i> ; and (d) the reduction of <i>financial crime</i> .
<i>regulatory provisions</i>	(a) (in accordance with section 302 of the <i>Act</i> (Interpretation)) (in relation to an investment exchange or <i>clearing house</i>) the rules of

or any guidance issued by the investment exchange or *clearing house*;

- (b) (in relation to an investment exchange):
 - (i) any arrangements which it has made, or proposes to make, for the provision of clearing services in respect of transactions effected on the exchange; and
 - (ii) if it provides, or proposes to provide, clearing services on exchange, the criteria which it applies, or proposes to apply, when determining to whom it will provide those services;
- (c) (in relation to a *clearing house*):
 - (i) if it makes, or proposes to make, clearing arrangements with an *RIE*, those arrangements; and
 - (ii) if it provides, or proposes to provide, clearing services for *persons* other than *RIEs*, the criteria which it will apply when determining to whom it will provide those services.

regulatory system the arrangements for regulating a *firm* or other *person* in or under the *Act*, including the *threshold conditions*, the *Principles* and other *rules*, the *Statements of Principle*, codes and *guidance*.

reinsurance to close (a) an agreement under which members of a *syndicate* in one *syndicate year* ("the reinsured members") agree with the members of that *syndicate* in a later *syndicate year* or the members of another *syndicate* ("the reinsuring members") that the reinsuring members will discharge, or procure the discharge of, or indemnify the reinsured members against, all known and unknown *insurance business* liabilities of the reinsured members arising out of the *insurance business* carried on by the reinsured members in that *syndicate year*; or

(b) a similar reinsurance agreement or arrangement that has been approved by the *Council* as a reinsurance to close.

related designated investment (in relation to a *designated investment* (the "first investment")) a *designated investment* whose value might reasonably be expected to be directly affected by:

- (a) any fluctuation in the value of the first investment; or
- (b) any *published recommendation* that concerns the first investment.

relevant business (in *DISP*) that part of a *firm's* business which it conducts with private individuals and which is subject to the jurisdiction of the *Financial Ombudsman Service* as provided for under *DISP* 2.6 (To which activities do the rules apply?), measured by reference to the appropriate tariff base for each *industry block*.

relevant charitable scheme an *authorised fund* which is:

- (a) a registered charity; or
- (b) a charitable unit trust scheme under regulation 7(2)(d) of the

- relevant collateral* in relation to a transaction:
- (a) cash;
 - (b) letters of credit and guarantees to the extent of their face value, issued by an *approved bank* which is neither a counterparty nor an *associate* of a counterparty;
 - (c) gold and silver bullion and coinage;
 - (d) *marketable investments*;
 - (e) the performance guarantees issued in support of the securities lending and borrowing programmes of Euroclear and Cedel, in respect only of *exposure* arising from participation in such programmes;
- subject in each case to:
- (i) the *firm* having an unconditional right to apply or realise the relevant collateral for the purpose of repaying a counterparty's obligations;
 - (ii) *marketable investments*:
 - (A) being marked to market daily using the valuation principles in *IPRU(INV)* 3.41(9)R;
 - (B) not being issued by a counterparty nor by an *associate* of a counterparty.
- relevant complaint* (as defined in section 299(2) of the *Act* (Complaints about recognised bodies)) a complaint which the *FSA* considers is relevant to the question of whether a *recognised body* should remain a *recognised body*.
- relevant firm* (in *ML*) a *firm* of the kind described in *ML* 1.1.2R.
- relevant function* (in relation to a *UK recognised body*) an *exempt activity* or a *regulatory function*.
- relevant general insurance contract* (in *COMP*) any *general insurance contract* other than:
- (a) a reinsurance contract;
 - (b) a *Lloyd's policy*;
 - (c) a contract falling within any of the following classes:
 - (i) *aircraft*;
 - (ii) *ships*;
 - (iii) *goods in transit*;
 - (iv) *aircraft liability*;
 - (v) *liability of ships*;
 - (vi) *credit*.

- relevant information* (1) (except in *REC*) (in relation to an *investment*) information which would be likely to be regarded by a *regular user* of the market in question as relevant when deciding the terms on which transactions in that *investment* should be effected.
- (2) (in *REC*) (in relation to an *investment*) information which is relevant to determining the current value of that *investment*.
- relevant office-holder* a relevant office-holder as defined in section 189 of the Companies Act 1989, which is in summary:
- (a) the official receiver;
- (b) (in relation to a company) any *person* acting as its liquidator, provisional liquidator, administrator or administrative receiver;
- (c) (in relation to an individual or a debtor within the Bankruptcy (Scotland) Act 1985) a trustee in bankruptcy, interim receiver of property, or permanent or interim trustee in the sequestration of an estate;
- (d) any *person* acting as administrator of an insolvent estate of a deceased *person*.
- relevant pension scheme* (a) an appropriate scheme for the purposes of section 1(8) of the Social Security Act 1986 or for the purposes of article 3(8) of the Social Security (Northern Ireland) Order 1986; or
- (b) an exempt approved scheme under section 592(1) of the Income and Corporation Taxes Act 1988 to which the employer is not a contributor and which provides benefits additional to those provided by:
- (i) another scheme approved under Chapter 1 of Part XIV of that Act to which the employer is a contributor; or
- (ii) a statutory scheme as defined in section 612(1) of that Act; or
- (iii) a relevant statutory scheme as defined in section 611A(1) of that Act; or
- (c) a *pension scheme* approved under Chapter IV of Part XIV of that Act.
- relevant person* (in *COMP*) a *person* for *claims* against whom the *compensation scheme* provides cover, as defined in *COMP* 6.2.1R.
- relevant product* (in *MAR*) (in accordance with section 118(6) of the *Act* (Market abuse)) (in relation to any *qualifying investment*):
- (a) anything which is the subject matter of that *qualifying investment*;
- (b) an *investment* whose price or value is expressed by reference to the *price* or value of that *qualifying investment*;
- (c) an *investment* whose subject matter is that *qualifying investment*.

<i>relevant regulated activities</i>	(in <i>ML</i>) activities of the kind described in <i>ML</i> 1.1.4R.
<i>relevant security</i>	(in <i>MAR</i>) a <i>security</i> subject to an <i>offer</i> falling within <i>MAR</i> 2.1.3R(1) and (3).
<i>remedial direction</i>	(in accordance with section 308(8) of the <i>Act</i> (Directions by the Treasury)) a direction requiring the <i>FSA</i> : <ul style="list-style-type: none"> (a) to exercise its powers under section 297(2) of the <i>Act</i> to revoke the <i>recognition order</i> for a <i>recognised body</i>; or (b) to exercise its powers under section 296 of the <i>Act</i> by giving such directions to the <i>recognised body</i> concerned as may be specified in the direction.
<i>remuneration</i>	any form of remuneration, including benefits of any kind.
<i>repo</i>	<ul style="list-style-type: none"> (a) an agreement between a seller and buyer for the sale of <i>securities</i>, under which the seller agrees to repurchase the <i>securities</i>, or equivalent <i>securities</i>, at an agreed date and, usually, at a stated price; (b) an agreement between a buyer and seller for the purchase of <i>securities</i>, under which the buyer agrees to resell the <i>securities</i>, or equivalent <i>securities</i>, at an agreed date and, usually, at a stated price.
<i>reportable transaction</i>	a transaction defined in <i>SUP</i> 17.5.1R (Transaction reporting: Reportable transaction).
<i>reporting accountant</i>	<p>an accountant appointed:</p> <ul style="list-style-type: none"> (a) by the <i>FSA</i>; or (b) by a <i>firm</i>, having been nominated or approved by the <i>FSA</i> under section 166 of the <i>Act</i> (Reports by skilled persons); or (c) by an applicant for <i>Part IV permission</i>; <p>to report on one or more aspects of the business of a <i>firm</i> or applicant, such as its financial position, including <i>internal controls</i> and reporting returns.</p>
<i>representative</i>	<p>(in relation to <i>designated investment business</i>) an individual appointed by a <i>provider firm</i> or by an <i>appointed representative</i> of that <i>firm</i>, to carry out either or both of the following activities:</p> <ul style="list-style-type: none"> (a) giving <i>advice on investments</i> to <i>customers</i> on the merits of <i>packaged products offered</i> by that <i>firm</i> (or any other <i>provider firm</i> within the same <i>marketing group</i>); (b) <i>arranging (bringing about) deals in investments</i> in relation to such products.
<i>required amount</i>	(in <i>LLD</i>) for a <i>member</i> , in relation to <i>general insurance business</i> or <i>long-term insurance business</i> , the required amount determined in accordance with <i>LLD</i> 11.2.6R or <i>LLD</i> 11.2.7R.

<i>required function</i>	any of <i>controlled functions</i> 8 to 12 in the <i>table of controlled functions</i> .
<i>required margin of solvency</i>	a <i>margin of solvency</i> required by <i>IPRU(INS)</i> or <i>IPRU(FSOC)</i> .
<i>required minimum margin</i>	for an <i>insurer</i> , the minimum margin required by <i>IPRU(INS)</i> .
<i>requirement</i>	a requirement included in a <i>firm's Part IV permission</i> under section 43 of the <i>Act</i> (Imposition of requirements), section 45(4) of the <i>Act</i> (Variation etc on the Authority's own initiative) or section 46 of the <i>Act</i> (Variation of permission on acquisition of control).
<i>requiring or encouraging</i>	taking or refraining from taking any action which requires or encourages another <i>person</i> to engage in <i>behaviour</i> which, if engaged in by the <i>person</i> requiring or encouraging, would amount to <i>market abuse</i> .
<i>requisite details</i>	the details required under the Financial Services and Markets Act 2000 (EEA Passport Rights) Regulations 2001 (SI 2001/1376) and set out in <i>SUP 13 Ann 1R</i> (Requisite details: branches) and <i>SUP 13 Ann 1R</i> (Requisite details: cross border services).
<i>restricted credit</i>	a loan for which, as a result of an existing arrangement between a supplier and a <i>firm</i> , the <i>customer's</i> application to the <i>firm</i> is submitted through the supplier and the terms of the loan require that it be paid to the supplier for goods or services supplied to the <i>customer</i> , not including loans secured by a charge over land or loans or payments by <i>plastic card</i> (other than a <i>store card</i>).
<i>retirement annuity</i>	an individual <i>pension policy</i> effected by a self-employed <i>person</i> or a <i>person</i> in non-pensionable employment before 1 July 1998 and which is approved under Chapter III, Part XIV of the Income and Corporation Taxes Act 1988.
<i>retirement fund</i>	the amount which will be available, at the date on which the investor retires, for the provision of benefits.
<i>RIE</i>	<i>recognised investment exchange</i> .
<i>rights to or interests in investments</i>	the <i>investment</i> , specified in article 89 of the <i>Regulated Activities Order</i> (Rights to or interests in investments), which is in summary: any right to or interest in any other <i>specified investment</i> , but excluding: <ul style="list-style-type: none"> (a) interests under the trusts of an <i>occupational pension scheme</i>; (b) rights to or interests in a <i>contract of insurance</i> of the kind referred to in paragraph (1)(a) of article 60 of the <i>Regulated Activities Order</i> (Plans covered by insurance or trust arrangements), or interests under a trust of the kind referred to in paragraph 1(b) of article 60 of the <i>Regulated Activities Order</i> (Plans covered by insurance or trust arrangements); (c) any other <i>specified investment</i>.
<i>risk assessment function</i>	<i>controlled function</i> CF14 in the <i>table of controlled functions</i> , described more fully in <i>SUP 10.8.3R</i> .

<i>ROCH</i>	<i>recognised overseas clearing house.</i>
<i>ROIE</i>	<i>recognised overseas investment exchange.</i>
<i>rolling spot forex contract</i>	<p>either of the following:</p> <p>(a) a <i>future</i>, other than a <i>future</i> traded or expressed to be as traded on a <i>recognised investment exchange</i>, where the property which is to be sold under the contract is foreign exchange or sterling; or</p> <p>(b) a <i>contract for differences</i> where the profit is to be secured or loss avoided by reference to fluctuations foreign exchange; and</p> <p>in either case where the contract is entered into for the purpose of speculation.</p>
<i>rule</i>	<p>(in accordance with section 417(1) of the <i>Act</i> (Definitions)) a rule made by the <i>FSA</i> under the <i>Act</i>, including:</p> <p>(a) a <i>Principle</i>; and</p> <p>(b) an <i>evidential provision</i>.</p>
<i>safe custody investment</i>	a <i>designated investment</i> , which is not the property of the <i>firm</i> , but for which the <i>firm</i> , or any <i>nominee company</i> controlled by the <i>firm</i> or by its <i>associate</i> , is accountable; which has been paid for in full by the <i>client</i> ; and which ceases to be a <i>safe custody investment</i> when the <i>firm</i> has disposed of it in accordance with a valid instruction.
<i>safeguarding and administering investments</i>	<p>the <i>regulated activity</i>, specified in article 40 of the <i>Regulated Activities Order</i> (Safeguarding and administering investments), which is in summary: the safeguarding and the administration of assets belonging to another and the administration of those assets, or arranging for one or more other <i>persons</i> to carry on that activity, where:</p> <p>(a) the assets consist of or include any <i>designated investment</i>; or</p> <p>(b) the arrangements for their safeguarding and administration are such that the assets may consist of or include <i>designated investments</i>, and either the assets have at any time since 1 June 1997 done so, or the arrangements have at any time (whether before or after that date) been held out as ones under which <i>designated investments</i> would be safeguarded and administered.</p>
<i>safeguarding and administration of assets (without arranging)</i>	<p>that part of <i>safeguarding and administering investments</i> which consists of both:</p> <p>(a) the safeguarding of assets belonging to another; and</p> <p>(b) the administration of those assets.</p>
<i>sale</i>	(in <i>CIS</i>) (in relation to <i>units</i> in an <i>authorised fund</i>) the sale of <i>units</i> by the <i>authorised fund manager</i> as <i>principal</i> .
<i>salvage right</i>	(in <i>LLD</i>) any right of a <i>member</i> under a <i>contract of insurance</i> (and vested in a <i>premium trust fund</i>) to take possession of and to dispose of property because he has made a payment or has become liable to make a payment in respect of a loss to that property.

<i>SARs</i>	the Rules Governing Substantial Acquisitions of Shares issued on the authority of the <i>Takeover Panel</i> .
<i>scheme</i>	<p>(1) (except in <i>COB</i> and <i>SUP</i>) a <i>collective investment scheme</i>.</p> <p>(2) (in <i>COB</i> and <i>SUP</i>)</p> <ul style="list-style-type: none"> (a) a <i>regulated collective investment scheme</i>; (b) an <i>investment trust</i> where the relevant <i>shares</i> have been or are to be acquired through an <i>investment trust savings scheme</i>; (c) an <i>investment trust</i> where the relevant <i>shares</i> are to be held within an <i>ISA</i> or <i>PEP</i> which promotes one or more specific <i>investment trusts</i>; (d) (in <i>COB</i> 10) in addition to (a), (b) and (c), an <i>unregulated collective investment scheme</i>.
<i>scheme holding</i>	<p>a holding of:</p> <ul style="list-style-type: none"> (a) <i>units</i> in a <i>collective investment scheme</i>; or (b) <i>shares</i> in an <i>investment trust savings scheme</i>.
<i>scheme management activity</i>	the management by an <i>operator</i> of the property held for or within the <i>scheme</i> of which it is the <i>operator</i> , excluding the receiving and holding of <i>client money</i> and <i>safeguarding and administering investments</i> .
<i>scheme of arrangement</i>	<p>(in <i>CIS</i>) an arrangement relating to an <i>authorised fund</i> ("transferor fund") or to a <i>sub-fund</i> of an <i>umbrella scheme</i> ("transferor sub-fund") under which:</p> <ul style="list-style-type: none"> (a) either: <ul style="list-style-type: none"> (i) all or part of the property of the transferor fund, or all or part of the property attributed to the transferor sub-fund, is to become the property of one or more <i>regulated collective investment schemes</i> ("transferee schemes"); or (ii) all or part of the property attributed to the transferor sub-fund is to become part of the property attributed to one or more other <i>sub-funds</i> of the same <i>umbrella scheme</i> ("transferee sub-funds"); and (b) <i>holders</i> of <i>units</i> in the transferor fund or transferor sub-fund, the property of which is being transferred or reattributed under (a), are to receive, in exchange for their respective interests in that property, either: <ul style="list-style-type: none"> (i) <i>units</i> in the transferee scheme or one or more of the transferee schemes, to which the property is transferred; or (ii) <i>units</i> in the transferee sub-fund or one or more of the transferee sub-funds, to which the property is reattributed.

<i>scheme of operations</i>	a scheme which: <ul style="list-style-type: none"> (a) describes the nature of the risks which the <i>insurer</i> is underwriting, or intends to underwrite, and the guiding principles which it intends to follow in reinsuring or covering those risks; and (b) contains the information required under <i>SUP</i> App 2.9.1R (Content of a scheme of operations).
<i>scheme particulars</i>	a <i>document</i> containing information about a <i>regulated collective investment scheme</i> .
<i>scheme property</i>	<ul style="list-style-type: none"> (a) (in relation to an <i>ICVC</i>) the property subject to the <i>collective investment scheme</i> constituted by it; (b) (in relation to an <i>AUT</i>) the <i>capital property</i> and the <i>income property</i>.
<i>SDRT provision</i>	a <i>charge</i> of such amount or at such rate as is determined by the <i>authorised fund manager</i> to be made as a provision for stamp duty reserve tax for which the <i>ICVC</i> may become liable under the Stamp Duty and Stamp Duty Reserve Tax (Open-Ended Investment Companies)(Amendment No.2) Regulations 2000 or the <i>trustee</i> may become liable under Schedule 19 to the Finance Act 1999 in respect of a surrender of <i>units</i> to the <i>authorised fund manager</i> .
<i>Second Life Directive</i>	the Council Directive of 8 November 1990 on the coordination of laws, etc and laying down provisions relating to facilitate the effective exercise of freedom to provide services and amending Directive 79/267/EEC (No 90/619/EEC).
<i>Second Non-Life Directive</i>	the Council Directive of 22 June 1988 on the coordination of laws, etc and laying down provisions to facilitate the effective exercise of freedom to provide services and amending Directive 73/239/EEC (No 88/357/EEC).
<i>secondary material</i>	(as more fully described in section 394 of the <i>Act</i> (Access to Authority material)) material, other than that which the <i>FSA</i> relied on in reaching its decision, which: <ul style="list-style-type: none"> (a) the <i>FSA</i> considered in reaching its decision; or (b) the <i>FSA</i> obtained in connection with, that is, in the investigation of, the matter in question.
<i>secondary pooling event</i>	an event that occurs in the circumstances described in <i>COB</i> 9.5.14R (Failure of a bank, intermediate broker, settlement agent or OTC counterparty: secondary pooling events).
<i>section 43 capital requirements</i>	the financial supervision requirements of the <i>FSA</i> for the purposes of the listing arrangements made under section 43 of the Financial Services Act 1986.
<i>secured debt</i>	(in <i>LLD</i>) a debt owed to (or an obligation to be fulfilled for the benefit of) a <i>member</i> , secured by an <i>admissible asset</i> .
<i>securities and futures</i>	a <i>firm</i> whose <i>permitted activities</i> include <i>designated investment</i>

firm

business, which is not an authorised professional firm, bank, building society, credit union, friendly society, ICVC, insurer, media firm, service company, incoming EEA firm (without a top-up permission), incoming Treaty firm (without a top-up permission) or UCITS qualifier (without a top-up permission), whose permission does not include a requirement that it comply with IPRU(INV) 5 (Investment management firms) or 13 (Personal investment firms), and which is within (a), (b), (c) or (d):

- (a) a *firm* (other than one falling within (d)):
 - (i) which was a member of *SFA* immediately before *commencement*; and
 - (ii) which was not, immediately before *commencement*, subject to the financial supervision requirements of the *FSA* (under section 43 of the Financial Services Act 1986), or *PIA* or *IMRO* (under lead regulation arrangements);
- (b) a *firm* whose *permission* includes a *requirement* that it comply with *IPRU(INV)* 3 or 10 (Securities and futures firms);
- (c) a *firm*:
 - (i) which was given a *Part IV permission* after *commencement*, or which was authorised under section 25 of the Financial Services Act 1986 immediately before *commencement* and not a member of *IMRO*, *PIA* or *SFA*; and
 - (ii) for whom the most substantial part of its gross income, including *commissions*, from the *regulated activities* included in its *Part IV permission* is derived from one or more of the following activities (based, for a *firm* given a *Part IV permission* after *commencement*, on the business plan submitted as part of the *firm's* application for *permission* or, for a *firm* authorised under section 25 of the Financial Services Act 1986, on the *firm's financial year* preceding its *authorisation* under the *Act*):
 - (A) an activity carried on as a member of an exchange;
 - (B) making a market in *securities* or *derivatives*;
 - (C) *corporate finance business*;
 - (D) *dealing*, or *arranging (bringing about) deals in investments*, in *securities* or *derivatives*;
 - (E) the provision of clearing services as a *clearing firm*;
 - (F) *managing investments*, where those *investments* are primarily *derivatives*;
 - (G) activities relating to *spread bets*;

	<p>(d) a <i>firm</i> that is:</p> <p>(i) an <i>ex-section 43 firm</i> which was not authorised under the Financial Services Act 1986 immediately before <i>commencement</i>; or</p> <p>(ii) an <i>ex-section 43 lead regulated firm</i>.</p>
<i>securities scheme</i>	an <i>authorised fund dedicated to transferable securities</i> , excluding an <i>authorised fund</i> which is a <i>feeder fund</i> , a <i>fund of funds scheme</i> or a <i>warrant scheme</i> .
<i>security</i>	<p>(in accordance with article 3(1) of the <i>Regulated Activities Order (Interpretation)</i>) any of the following <i>investments</i> specified in that Order:</p> <p>(a) <i>share</i> (article 76);</p> <p>(b) <i>debenture</i> (article 77);</p> <p>(c) <i>government and public security</i> (article 78);</p> <p>(d) <i>warrant</i> (article 79);</p> <p>(e) <i>certificate representing certain securities</i> (article 80);</p> <p>(f) <i>unit</i> (article 81);</p> <p>(g) <i>stakeholder pension scheme</i> (article 82);</p> <p>(h) <i>rights to or interests in investments</i> in (a) to (g) (article 89).</p>
<i>segregated client</i>	a <i>client</i> whose <i>money</i> must be segregated by the <i>firm</i> under COB 9.3.37R (Segregation).
<i>sell</i>	<p>(in accordance with article 3(1) of the <i>Regulated Activities Order (Interpretation)</i>) (in relation to any <i>investment</i>) sell in any way, including disposing of the <i>investment</i> for valuable consideration; in this definition, "disposing" includes:</p> <p>(a) (in relation to an <i>investment</i> consisting of rights under a contract):</p> <p>(i) surrendering, assigning or converting those rights; or</p> <p>(ii) assuming the corresponding liabilities under the contract;</p> <p>(b) (in relation to an <i>investment</i> consisting of rights under other arrangements) assuming the corresponding liabilities under the arrangements; and</p> <p>(c) (except in <i>CIS</i>) (in relation to any other <i>investment</i>) issuing or creating the <i>investment</i> or granting the rights or interests of which it consists.</p>
<i>sending dematerialised instructions</i>	the <i>regulated activity</i> , specified in article 45(1) of the <i>Regulated Activities Order</i> , of sending, on behalf of another <i>person</i> , dematerialised instructions relating to a <i>security</i> , where those instructions are sent by means of a relevant system in respect of which an operator is approved under the 1995 Regulations;

	in this definition:
	(a) "the 1995 Regulations" means the Uncertificated Securities Regulations 1995 (SI 1995/3272);
	(b) "dematerialised instruction" and "operator" have the meaning given by regulation 3 of the 1995 Regulations.
<i>senior manager</i>	an individual other than a <i>director</i> :
	(a) who is employed by:
	(i) a <i>firm</i> ; or
	(ii) a <i>body corporate</i> within a <i>group</i> of which the <i>firm</i> is a member;
	(b) to whom the <i>governing body</i> of the <i>firm</i> , or a member of the <i>governing body</i> of the <i>firm</i> , has given responsibility, either alone or jointly with others, for management and supervision;
	(c) who, if the individual is employed by the <i>firm</i> , reports directly to:
	(i) the <i>governing body</i> ; or
	(ii) a member of the <i>governing body</i> ; or
	(iii) the <i>chief executive</i> ; or
	(iv) the head of a significant business unit; and
	(d) who, if the individual is employed by a <i>body corporate</i> within the <i>group</i> , reports directly to a <i>person</i> who is the equivalent of a body or <i>person</i> referred to in (c).
<i>senior staff committee</i>	(in <i>DEC</i>) a committee consisting of senior <i>FSA</i> staff members that is empowered to make <i>statutory notice decisions</i> and <i>statutory notice associated decisions</i> by <i>executive procedures</i> .
<i>series of transactions</i>	a series of transactions <i>executed</i> with a view to achieving one investment decision or objective.
<i>service company</i>	a <i>firm</i> whose only <i>permitted activities</i> are <i>making arrangements with a view to transactions in investments</i> , and <i>agreeing to carry on that regulated activity</i> , and whose <i>Part IV permission</i> :
	(a) incorporates a <i>limitation</i> substantially to the effect that the <i>firm</i> carry on <i>regulated activities</i> only with <i>market counterparties</i> or <i>intermediate customers</i> ; and
	(b) includes <i>requirements</i> substantially to the effect that the <i>firm</i> must not:
	(i) guarantee, or otherwise accept responsibility for, the performance, by a participant in arrangements made by the <i>firm</i> in carrying on <i>regulated activities</i> , of obligations undertaken by that participant in connection with those arrangements; or
	(ii) <i>approve</i> any <i>financial promotion</i> on behalf of any other <i>person</i> or any specified class of <i>persons</i> ; or

	(iii) in carrying on its <i>regulated activities</i> , provide services otherwise than in accordance with <i>documents</i> (of a kind specified in the <i>requirement</i>) provided by the <i>firm</i> to the <i>FSA</i> .
<i>service conditions</i>	(in accordance with paragraph 14 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) the conditions that: <ul style="list-style-type: none"> (a) the <i>firm</i> has given its <i>Home State regulator</i> notice of its intention to provide services in the <i>United Kingdom</i>; (b) if the <i>firm</i> falls within paragraph (a) or (d) in the definition of "<i>EEA firm</i>", the <i>FSA</i> has received notice from the <i>firm's Home State regulator</i> containing such information as may be prescribed; and (c) if the <i>firm</i> falls within paragraph (d) of that definition, its <i>Home State regulator</i> has informed it that the regulator's notice has been sent to the <i>FSA</i>.
<i>SETS</i>	the Stock Exchange Electronic Trading Service.
<i>settlement agent</i>	a <i>person</i> with or through whom the <i>firm</i> effects settlement of <i>UK-settled</i> or <i>foreign-settled</i> transactions.
<i>Seventh Company Law Directive</i>	the Council Directive of 13 June 1983 on consolidated accounts (No 83/349/EEC).
<i>SFA</i>	the Securities and Futures Authority Limited.
<i>share</i>	(1) (except in <i>CIS</i>) the <i>investment</i> , specified in article 76 of the <i>Regulated Activities Order</i> (Shares etc), which is in summary: a share or stock in the share capital of: <ul style="list-style-type: none"> (a) any <i>body corporate</i> (wherever incorporated); (b) any unincorporated body constituted under the law of a country or territory outside the <i>United Kingdom</i>. (2) (in <i>CIS</i>): <ul style="list-style-type: none"> (a) (in relation to an <i>ICVC</i>) a <i>share</i> in the <i>ICVC</i> (including both <i>smaller denomination shares</i> and <i>larger denomination shares</i>); (b) (otherwise) an <i>investment</i> within (1).
<i>shareholder</i>	(in relation to an <i>ICVC</i> , and subject to <i>CIS</i> 11.2.2R (Special meaning of shareholder)): <ul style="list-style-type: none"> (a) (in relation to a <i>share</i> that is represented by a <i>bearer certificate</i>) the <i>person</i> who holds the certificate; (b) (in relation to a <i>share</i> that is not represented by a <i>bearer certificate</i>) the <i>person</i> whose name is entered on the <i>register</i> in relation to that <i>share</i>.
<i>ships</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 6 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), upon

	vessels used on the sea or on inland water, or upon the machinery, tackle, furniture or equipment of such vessels.
<i>shortfall</i>	<p>(1) (in relation to cancellation of an <i>investment agreement</i>) the amount a <i>firm</i> is entitled to charge a <i>customer</i> for the market loss in accordance with <i>COB 6.7.54R</i> to <i>COB 6.7.58R</i> (Shortfall; Exceptions to shortfall).</p> <p>(2) (in relation to <i>client money</i>) the amount by which the <i>client money</i> in a <i>client bank account</i> is insufficient to satisfy the claims of <i>clients</i> in respect of that <i>money</i>, or not immediately available to satisfy such claims.</p>
<i>sickness</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph 2 of Part I of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of general insurance), providing fixed pecuniary benefits or benefits in the nature of indemnity (or a combination of both) against risks of loss to the <i>persons</i> insured attributable to sickness or infirmity, but excluding contracts within paragraph IV of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Permanent health).
<i>sickness or distressed circumstances contract</i>	any contract in accordance with which benefits are provided for the relief or maintenance of any <i>person</i> during sickness or when in distressed circumstances.
<i>significant influence function</i>	any of the <i>controlled functions</i> 1 to 20 in the <i>table of controlled functions</i> .
<i>significant management (designated investment business) function</i>	<i>controlled function</i> CF16 in the <i>table of controlled functions</i> , described more fully in <i>SUP 10.9.10R</i> .
<i>significant management (financial resources) function</i>	<i>controlled function</i> CF19 in the <i>table of controlled functions</i> , described more fully in <i>SUP 10.9.16R</i> .
<i>significant management (insurance underwriting) function</i>	<i>controlled function</i> CF18 in the <i>table of controlled functions</i> , described more fully in <i>SUP 10.9.14R</i> .
<i>significant management (other business operations) function</i>	<i>controlled function</i> CF17 in the <i>table of controlled functions</i> , described more fully in <i>SUP 10.9.12R</i> .
<i>significant management (settlements) function</i>	<i>controlled function</i> CF20 in the <i>table of controlled functions</i> , described more fully in <i>SUP 10.9.18R</i> .
<i>significant</i>	any of the <i>controlled functions</i> 16 to 20 in the <i>table of controlled</i>

management function functions.

<i>Single Market Directives</i>	(as defined in paragraph 1 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) the <i>Banking Consolidation Directive</i> , the <i>Insurance Directives</i> and the <i>Investment Services Directive</i> .
<i>single-priced AUT</i>	an <i>AUT</i> for the <i>units</i> of which there is only one <i>price</i> applicable by reference to a <i>valuation point</i> .
<i>skilled person</i>	a <i>person</i> appointed to make a report required by section 166 of the <i>Act</i> (Reports by skilled persons) for provision to the <i>FSA</i> and who must be a <i>person</i> : <ul style="list-style-type: none"> (a) nominated or approved by the <i>FSA</i>; and (b) appearing to the <i>FSA</i> to have the skills necessary to make a report on the matter concerned.
<i>small business</i>	(in <i>COMP</i>) a <i>partnership</i> , <i>body corporate</i> , unincorporated association or mutual association with an annual turnover of less than £1 million (or its equivalent in any other currency at the relevant time).
<i>small friendly society function</i>	<i>controlled function</i> CF6 in the <i>table of controlled functions</i> , described more fully in <i>SUP</i> 10.6.26R.
<i>small personal investment firm</i>	a <i>personal investment firm</i> : <ul style="list-style-type: none"> (a) which is not an <i>ISD investment firm</i>; (b) which is not a <i>network</i>; and (c) which has fewer than 26 <i>financial advisers</i> or <i>representatives</i>.
<i>small self-administered scheme</i>	an <i>occupational pension scheme</i> of a kind described in article 4(4) and 4(5) of the Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001 (SI 2001/1177).
<i>smaller denomination share</i>	a <i>share</i> to which are attached rights in a smaller denomination as provided by regulation 45 of the <i>OEIC regulations</i> .
<i>social insurance</i>	(in relation to a <i>class of contract of insurance</i>) the <i>class of contract of insurance</i> , specified in paragraph IX of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance), of a kind referred to in article 1(3) of the <i>First Life Directive</i> ("operations relating to the length of human life which are prescribed by or provided for in <i>social insurance</i> legislation, when they are effected or managed at their own risk by assurance undertakings in accordance with the laws of an <i>EEA State</i> ").
<i>Society</i>	the society incorporated by Lloyd's Act 1871 by the name of Lloyd's.
<i>Society guarantee fund</i>	(in <i>LLD</i>) the guarantee fund calculated by the <i>Society</i> under <i>LLD</i> 11.5.2R.
<i>Society margin</i>	(in <i>LLD</i>) the margin calculated by the <i>Society</i> under <i>LLD</i> 11.5.1R.
<i>Society's basic market activity</i>	(in accordance with section 315(2)(a) of the <i>Act</i> (The Society: authorisation and permission)) <i>arranging deals in contracts of insurance written at Lloyd's</i> .

<i>Society's regulatory functions</i>	the <i>Society's</i> powers, duties or functions in relation to <i>members</i> or <i>underwriting agents</i> which are or may be exercised for the purposes of supervising or regulating the market at Lloyd's.
<i>Society's secondary market activity</i>	(in accordance with section 315(2)(b) of the <i>Act</i> (The Society: authorisation and permission)) arranging deals in participation in Lloyd's syndicates.
<i>soft commission agreement</i>	an agreement in any form, the terms of which permit a <i>firm</i> to receive certain goods or services from another <i>person</i> in return for transacting <i>designated investment business</i> with or through that other <i>person</i> .
<i>sole trader</i>	an individual who is a <i>firm</i> .
<i>sole trader function</i>	<i>controlled function</i> CF7 in the <i>table of controlled functions</i> , described more fully in SUP 10.6.30R.
<i>solicited real time financial promotion</i>	(in accordance with article 8 of the <i>Financial Promotion Order</i>) (as more fully described in COB 3.10.1R (Meaning of "solicited" and "unsolicited" real time financial promotion)) a <i>real time financial promotion</i> which is solicited, that is, it is made in the course of a personal visit, telephone call or other interactive dialogue if that call, visit or dialogue: <ul style="list-style-type: none"> (a) was initiated by the recipient of the <i>financial promotion</i>; or (b) takes place in response to an express request from the recipient of the <i>financial promotion</i>.
<i>special purpose vehicle</i>	a <i>body corporate</i> whose sole purpose (either generally or when acting in a particular capacity) is to carry out one or more of the following functions: <ul style="list-style-type: none"> (a) issuing <i>designated investments</i>, other than <i>life policies</i>; (b) redeeming or terminating or repurchasing (whether with a view to re-issue or to cancellation) an issue (in whole or part) of <i>designated investments</i>, other than <i>life policies</i>; (c) entering into transactions or terminating transactions involving <i>designated investments</i> in connection with the <i>issue</i>, redemption, termination or re-purchase of <i>designated investments</i>, other than <i>life policies</i>; subject to the special purpose vehicle having been: <ul style="list-style-type: none"> (i) explicitly established for the purpose of securitising assets; and (ii) assessed by a rating agency.
<i>specific non-real time financial promotion</i>	a <i>non-real time financial promotion</i> which identifies and promotes a particular <i>investment</i> or service.
<i>specified investment</i>	any of the following <i>investments</i> specified in Part III of the <i>Regulated Activities Order</i> (Specified Investments): <ul style="list-style-type: none"> (a) <i>deposit</i> (article 74); (b) <i>contract of insurance</i> (article 75); for the purposes of the

permission regime, this is sub-divided into:

- (i) *general insurance contract*;
- (ii) *long-term insurance contract*;

and then further sub-divided into *classes of contract of insurance*;

- (c) *share* (article 76);
- (d) *debenture* (article 77);
- (e) *government and public security* (article 78);
- (f) *warrant* (article 79);
- (g) *certificate representing certain securities* (article 80);
- (h) *unit* (article 81);
- (i) *stakeholder pension scheme* (article 82);
- (j) *option* (article 83); for the purposes of the *permission* regime, this is sub-divided into:
 - (i) *option* (excluding a *commodity option* and an *option* on a *commodity future*);
 - (ii) *commodity option* and an *option* on a *commodity future*;
- (k) *future* (article 84); for the purposes of the *permission* regime, this is sub-divided into:
 - (i) *future* (excluding a *commodity future* and a *rolling spot forex contract*);
 - (ii) *commodity future*;
 - (iii) *rolling spot forex contract*;
- (l) *contract for differences* (article 85); for the purposes of the *permission* regime, this is sub-divided into:
 - (i) *contract for differences* (excluding a *spread bet* and a *rolling spot forex contract*);
 - (ii) *spread bet*;
 - (iii) *rolling spot forex contract*;
- (m) *underwriting capacity of a Lloyd's syndicate* (article 86(1));
- (n) *membership of a Lloyd's syndicate* (article 86(2));
- (o) *rights to or interests in investments* (article 89).

spread bet

a *contract for differences* that is a gaming contract, whether or not section 412 of the *Act* (Gaming contracts) applies to the contract;

in this definition, "gaming" has the meaning given in the Gaming Act 1968, which is in summary: the playing of a game of chance for winnings in money or money's worth, whether any *person* playing the game is at risk of losing any money or money's worth or not.

<i>SSAS</i>	<i>small self-administered scheme.</i>
<i>stabilising action</i>	any action contemplated by <i>MAR 2.2.3R</i> or <i>MAR 2.4.2R</i> .
<i>stabilising manager</i>	the single <i>person</i> responsible for <i>stabilising action</i> under <i>MAR 2</i> (Price stabilising rules).
<i>stabilising period</i>	(in relation to a <i>relevant security</i> and an <i>associated security</i>) the period: <ul style="list-style-type: none"> (a) beginning with the date on which the earliest <i>public announcement</i> of the <i>offer</i> which states the <i>offer price</i> is made; and (b) ending on the thirtieth <i>day</i> after the <i>closing date</i> or, if it is earlier than that <i>day</i>, the sixtieth <i>day</i> after the <i>date of allotment</i>; <p>except that, in relation to a <i>debenture</i> and a <i>government and public security</i>, the period begins with the date on which the earliest <i>public announcement</i> of the <i>offer</i> is made (whether or not that announcement states the <i>offer price</i>).</p>
<i>stabilising price</i>	the initial price (at or below the <i>offer price</i>) up to which the <i>stabilising manager</i> has determined that he may wish to intervene in the market by way of <i>stabilising action</i> ; and if the effect of <i>MAR 2.5.4R</i> is to raise that price above the initial stabilising price, then "stabilising price" thereafter means that new, higher, price.
<i>stakeholder pension scheme</i>	(a) (in relation to a <i>specified investment</i>) the <i>investment</i> specified in article 82 of the <i>Regulated Activities Order</i> (Rights under a stakeholder pension scheme) which is rights under a stakeholder pension scheme in (b); (b) (in relation to a scheme) a scheme established in accordance with Part I of the Welfare Reform and Pensions Act 1999 and the Stakeholder Pension Schemes Regulations 2000.
<i>standard terms</i>	(in <i>DISP</i>) the contractual terms made under paragraph 18 of Schedule 17 to the <i>Act</i> (The Ombudsman Scheme), under which <i>VJ participants</i> participate in the <i>Voluntary Jurisdiction</i> .
<i>standing independent valuer</i>	the <i>person</i> appointed as such under <i>CIS 12.3.1R</i> (Standing independent valuer).
<i>Statement of Principle</i>	one of the Statements of Principle issued by the <i>FSA</i> under section 64(1) of the <i>Act</i> (Conduct: Statements and codes) with respect to the conduct of <i>approved persons</i> and set out in <i>APER</i> .
<i>statutory notice</i>	a <i>warning notice</i> , <i>decision notice</i> or <i>supervisory notice</i> .
<i>statutory notice decision</i>	a decision by the <i>FSA</i> on whether or not to give a <i>statutory notice</i> .
<i>statutory notice associated decision</i>	a decision which is made by the <i>FSA</i> and which is associated with a decision to give a <i>statutory notice</i> , including a decision: <ul style="list-style-type: none"> (a) to determine or extend the period for making representations; (b) to determine whether a copy of the <i>statutory notice</i> needs to be

	given to any third party and the period for him to make representations;
	(c) to refuse access to <i>FSA</i> material;
	(d) as to the information which it is appropriate to publish about the matter to which a <i>final notice</i> or an effective <i>supervisory notice</i> relates.
<i>stock lending</i>	the disposal of a <i>designated investment</i> subject to an obligation or right to reacquire the same or a similar <i>designated investment</i> from the same counterparty.
<i>stock lending activity</i>	the activity of undertaking a <i>stock lending</i> transaction.
<i>stocks and shares component</i>	a <i>qualifying investment</i> as prescribed in paragraph 7 of the <i>ISA Regulations</i> .
<i>store card</i>	a card restricted to paying for goods or services from a particular supplier or group of suppliers and where the price of the goods or services is paid directly to the supplier or group of suppliers by the customer or the <i>firm</i> , but excluding a <i>plastic card</i> used to pay for goods or services through a network such as Visa or MasterCard.
<i>sub-fund</i>	(a) (in relation to an <i>umbrella scheme</i>) a separate part of the <i>scheme property</i> of that <i>scheme</i> that is pooled separately;
	(b) (in relation to a <i>collective investment scheme</i> that is not an <i>authorised fund</i>) any part of that <i>scheme</i> that is equivalent to a <i>sub-fund</i> of an <i>umbrella scheme</i> .
<i>subsidiary</i>	(as defined in section 736 of the Companies Act 1985 ("Subsidiary", "holding company" and "wholly-owned subsidiary")) (in relation to another <i>body corporate</i> ("H")) a <i>body corporate</i> of which H is a <i>holding company</i> .
<i>subsidiary undertaking</i>	(1) (except for the purposes of determining whether a <i>person</i> has <i>close links</i> with another <i>person</i>) an <i>undertaking</i> of which another <i>undertaking</i> is its <i>parent undertaking</i> .
	(2) (for the purposes of determining whether a <i>person</i> has <i>close links</i> with another <i>person</i>) (in accordance with section 343(8) of the <i>Act</i> (Information given by auditor or actuary to the FSA) and paragraph 3(3) of Schedule 6 to the <i>Act</i> (Threshold conditions)):
	(a) an <i>undertaking</i> in (1);
	(b) an <i>undertaking</i> ("S") if:
	(i) another <i>undertaking</i> (its parent) is a member of S;
	(ii) a majority of S's board of directors who have held office during the financial year and during the preceding financial year have been appointed solely as a result of the exercise of the parent's voting rights; and
	(iii) no one else is the parent undertaking of S under any of (a) (i) to (iii) or b(i) or (ii) in the definition of

parent undertaking.

- suitability letter* a letter that must be provided to a *customer* under COB 5.3.14R (Requirement for a suitability letter) and that contains the information required by COB 5.3.16R.
- SUP* the Supervision manual.
- supervisory notice* (as defined in section 395(13) of the *Act* (The Authority's procedures)) a notice given by the *FSA* in accordance with section 53(4), (7) or (8)(b); 78(2) or (5); 197(3), (6) or (7)(b); 259(3), (8) or (9)(b); 268(3), (7)(a) or (9)(a) (as a result of subsection (8)(b)); 282(3), (6) or (7)(b); or 321(2) or (5).
- supplementary levy* (in *DISP*) a levy, additional to the *general levy*, for the purposes of recovering the *establishment costs*.
- suretyship* (in relation to a *class of contract of insurance*) the *class of contract of insurance*, specified in paragraph 15 of Part I of Schedule 1 to the *Regulated Activities Order* (Contracts of general insurance), namely:
- (a) a *contract of insurance* against the risks of loss to the *person* insured arising from their having to perform contracts of guarantee entered into by them;
 - (b) fidelity bonds, performance bonds, administration bonds, bail bonds or customs bonds or similar contracts of guarantee where these are:
 - (i) effected or carried out by a *person* not carrying on a banking business;
 - (ii) not effected merely incidentally to some other business carried on by the *person* effecting them; and
 - (iii) effected in return for the payment of one or more premiums.
- surrender value*
- (a) where the contract is a contract of life assurance or a contract for an annuity, the amount (including a nil amount) payable by the *firm* or other body issuing the contract on surrender of the *policy*;
 - (b) where the contract is a *pension contract*, the amount payable on the transfer of the investor's accrued rights under that contract to another *pension contract*;
 - (c) where the contract is a *Holloway sickness policy*, the amount payable by the *firm* on surrender on or before the *projection date* for the *policy*;
 - (d) where the contract is for any other matter, the amount payable by the *firm* on the surrender of the *policy*.
- Swiss general insurance company* a company:
- (a) whose head office is in Switzerland;
 - (b) which has permission in Switzerland (not restricted to reinsurance business) to carry on *general insurance business*; and

	(c) which proposes to establish a <i>branch</i> or agency in the <i>United Kingdom</i> to carry out <i>insurance business</i> which is confined to the classes referred to in article 2 of the <i>Swiss Treaty Agreement</i> and not subject to any of the exceptions referred to in article 3 of the <i>Swiss Treaty Agreement</i> .
<i>Swiss Treaty Agreement</i>	the agreement of 10 October 1989 between the European Economic Community and the Swiss Confederation on direct insurance other than life insurance, approved on behalf of the European Economic Community by the Council Decision of 20 June 1999 (No 91/390/EEC).
<i>syndicate</i>	one or more <i>persons</i> , to whom a particular syndicate number has been assigned by or under the authority of the <i>Council</i> , <i>carrying out</i> or <i>effecting contracts of insurance</i> written at Lloyd's.
<i>syndicate actuary</i>	an <i>actuary</i> appointed to a <i>syndicate</i> as required by <i>LLD</i> 10.9.4R(1).
<i>syndicate year</i>	a year of account of a <i>syndicate</i> .
<i>synthetic cash</i>	a position in a <i>derivative</i> that offsets an exposure in property to the point where that exposure has effectively been neutralised, and the effect of the combined holding of both property and the position in the <i>derivative</i> is the same as if the <i>authorised fund</i> had received or stood to receive the value of the property in cash.
<i>synthetic future</i>	(a) a synthetic bought future, that is, a bought call <i>option</i> coupled with a written put <i>option</i> ; or (b) a synthetic sold future, that is, a bought put <i>option</i> coupled with a written call <i>option</i> ; provided that in either case the two <i>options</i> : (i) are bought and written, whether simultaneously or not, on a single <i>eligible derivatives</i> market; (ii) relate to the same underlying <i>security</i> or other asset; (iii) give the purchasers of the <i>options</i> the same rights of exercise (whether at the same price or not); and (iv) will expire together, if not exercised.
<i>SYSC</i>	the part of the <i>Handbook</i> in High Level Standards which has the title Senior Management Arrangements, Systems and Controls.
<i>systems and controls function</i>	any of <i>controlled functions</i> 13 to 15 in the <i>table of controlled functions</i> .
<i>table of controlled functions</i>	the table of controlled functions in <i>SUP</i> 10.4.5R.
<i>takeover bid</i>	an offer, as the term is used in the <i>Takeover Code</i> , or any other similar conduct governed by that code.
<i>Takeover Code</i>	the City Code on Takeovers and Mergers issued by the <i>Takeover Panel</i> .

<i>takeover or related operation</i>	<ul style="list-style-type: none"> (a) any transaction falling within paragraph 4(b) (Companies and Transactions to which the Code applies) of the introduction to the <i>Takeover Code</i>; (b) any transaction subject to the <i>SARs</i>; (c) any transaction which would have fallen within (a) were it not for the fact that the company which is the subject of the transaction does not satisfy the tests set out in paragraph 4(a) (Companies and Transactions to which the Code applies) of the introduction to the <i>Takeover Code</i> and, for this purpose, an offer for non-voting, non-equity share capital is to be regarded as falling within the <i>Takeover Code</i> even if not required by rule 15 of that Code; (d) any transaction which would have been subject to the <i>SARs</i> but where the shares the subject of the transaction are in a company which does not satisfy the test of residency set out in the second and third paragraphs of Section 2 (Scope) of the Introduction to the <i>SARs</i>; (e) any offer, transaction or arrangement relating to the purchase of <i>securities</i> with a view to establishing or increasing a strategic holding of a <i>person</i>, or of a <i>person</i> together with his <i>associates</i>, in the <i>securities</i> concerned; (f) any transaction or arrangement entered into in contemplation or furtherance of any offer, transaction or arrangement falling within (a) to (e); and (g) any transaction or arrangement entered into by way of defence or protection against any offer, transaction or arrangement falling within (a) to (f) which has taken place or which is contemplated.
<i>Takeover Panel</i>	the Panel on Takeovers and Mergers.
<i>takeover promotion</i>	a <i>financial promotion</i> which is subject to the <i>Takeover Code</i> or has been exempted from complying with the <i>Takeover Code</i> by the rules of that Code or by a ruling of the <i>Takeover Panel</i> .
<i>tax exempt policy</i>	any contract of assurance, offered or issued by a <i>friendly society</i> , which is tax exempt life or endowment business as defined in section 466 (2) of the Income and Corporation Taxes Act 1988.
<i>TC</i>	the Training and Competence sourcebook.
<i>technical provision</i>	(in <i>LLD</i>) a technical provision as defined in the <i>insurance accounts rules</i> .
<i>terms of business</i>	a written statement, supplied to a <i>client</i> , of the terms on which a <i>firm</i> will conduct <i>designated investment business</i> with or for the <i>client</i> .
<i>Third Life Directive</i>	the Council Directive of 10 November 1992 on the coordination of laws, etc, and amending Directives 79/267/EEC and 90/619/EEC (No 92/96/EEC).
<i>Third Non-Life Directive</i>	the Council Directive of 18 June 1992 on the coordination of laws, etc, and amending Directives 73/239/EEC and 88/357/EEC (No

	92/49/EEC).
<i>threshold condition</i>	(in relation to a <i>regulated activity</i>) any of the conditions set out in or under Schedule 6 to the <i>Act</i> (Threshold conditions) (see <i>COND</i>).
<i>tontines</i>	(in relation to a <i>class of contract of insurance</i>) tontines as specified in paragraph V of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance).
<i>top-up cover</i>	cover provided by the <i>compensation scheme</i> for <i>claims</i> against an <i>incoming EEA firm</i> (which is a <i>BCD credit institution</i> or an <i>ISD investment firm</i>): <ul style="list-style-type: none"> (a) in relation to <i>protected deposits</i>; or (b) in relation to <i>protected investment business</i>; or (c) in relation to both <i>protected deposits</i> and <i>protected investment business</i>; and which is in addition to the cover provided by the <i>firm's Home State</i> compensation scheme.
<i>top-up permission</i>	a <i>Part IV permission</i> given to an <i>incoming EEA firm</i> , an <i>incoming Treaty firm</i> or a <i>UCITS qualifier</i> .
<i>traded life policy</i>	a <i>life policy</i> which is to be or has been assigned for value by the <i>policyholder</i> to another <i>person</i> .
<i>transaction</i>	(in <i>ML</i>) any transaction, including the giving of advice and any other business or service undertaken in the course of carrying on a <i>regulated activity</i> .
<i>transaction report</i>	a report of a <i>reportable transaction</i> which meets the requirements of <i>SUP 17.6.2R</i> (Transaction report: Content).
<i>transaction-specific advice</i>	<i>advice on investments</i> : <ul style="list-style-type: none"> (a) given in connection with dealing or arranging activities carried on by the <i>firm</i> that fall within <i>MAR 3.1.2(2)R</i>(a), (b) or (c); or (b) with a view to carrying on any such activities; with or for the <i>market counterparty</i> to whom the advice is given.
<i>transfer value analysis</i>	an analysis performed to make a comparison between the benefits which are likely (on reasonable assumptions) to be paid under an <i>occupational pension scheme</i> and the benefits afforded by a <i>personal pension contract</i> or a <i>pension buy-out contract</i> .
<i>transferable security</i>	(in <i>CIS</i>) a <i>security</i> that is not an <i>investment</i> excluded by <i>CIS 5.2.9R</i> (Transferable securities).
<i>transitional complaints scheme</i>	the arrangements made by the <i>FSA</i> for the investigation of complaints against the <i>FSA</i> and each of <i>PIA</i> , <i>IMRO</i> and <i>SFA</i> arising in connection with the carrying out of their functions under the Financial Services Act 1986 and the Banking Act 1987.
<i>Treaty</i>	the Treaty establishing the European Community.

<i>Treaty activity</i>	(as defined in section 417(1) of the <i>Act</i> (Definitions)) an activity carried on under a <i>permission</i> obtained in accordance with Schedule 4 to the <i>Act</i> (Treaty Rights).
<i>Treaty firm</i>	(as defined in paragraph 1 of Schedule 4 to the <i>Act</i> (Treaty Rights)) a <i>person</i> : <ul style="list-style-type: none"> (a) whose head office is situated in an <i>EEA State</i> (its "<i>Home State</i>") other than the <i>United Kingdom</i>; and (b) which is recognised under the law of that State as its national.
<i>Treaty right</i>	the entitlement of a <i>Treaty firm</i> to qualify for <i>authorisation</i> under Schedule 4 to the <i>Act</i> (Treaty Rights).
<i>Tribunal</i>	the <i>Financial Services and Markets Tribunal</i> .
<i>trust deed</i>	(in <i>CIS</i>) the deed referred to in <i>CIS</i> 2.2.5R (The trust deed for AUTs), together with any deed expressed to be supplemental to it, made between the <i>manager</i> and the <i>trustee</i> (or, in the case of a <i>recognised scheme</i> that is a <i>unit trust scheme</i> , the <i>instrument constituting the scheme</i> as amended from time to time).
<i>trust scheme rules</i>	<i>rules</i> in <i>CIS</i> made by the <i>FSA</i> under section 247(1) of the <i>Act</i> (Trust scheme rules) in relation to: <ul style="list-style-type: none"> (a) the constitution, management and operation of <i>AUTs</i>; (b) the powers, duties, rights and liabilities of the <i>manager</i> and <i>trustee</i> of any such <i>scheme</i>; (c) the rights and duties of the <i>participants</i> in any such <i>scheme</i>; and (d) the winding up of any such <i>scheme</i>.
<i>trustee</i>	(in accordance with section 237(2) of the <i>Act</i> (Other definitions)) (in relation to a <i>unit trust scheme</i>) the <i>person</i> holding the property in question on trust for the <i>participants</i> .
<i>trustee firm</i>	a <i>firm</i> which is not an <i>OPS firm</i> and which is acting as a: <ul style="list-style-type: none"> (a) trustee; or (b) personal representative.
<i>UCITS Directive</i>	the Council Directive of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 85/611/EEC).
<i>UCITS qualifier</i>	a <i>firm</i> which: <ul style="list-style-type: none"> (a) for the time being is an <i>operator</i>, <i>trustee</i> or <i>depository</i> of a <i>scheme</i> which is a <i>recognised scheme</i> under section 264 of the <i>Act</i>; and (b) is an <i>authorised person</i> as a result of paragraph 1(1) of Schedule 5 to the <i>Act</i> (Persons Concerned in Collective Investment Schemes); <p>a reference to a <i>firm</i> as a <i>UCITS qualifier</i> applies in relation to the</p>

	carrying on by the <i>firm</i> of activities for which it has <i>permission</i> in that capacity.
<i>UCITS scheme</i>	an <i>authorised fund</i> which complies with the conditions necessary for it to enjoy the rights conferred by the <i>UCITS Directive</i> .
<i>UK</i>	<i>United Kingdom</i> .
<i>UK bank</i>	a <i>bank</i> which is a <i>body corporate</i> or <i>partnership</i> formed under the law of any part of the <i>United Kingdom</i> .
<i>UK domestic firm</i>	a <i>firm</i> that has its registered office (or, if it has no registered office, its head office) in the <i>United Kingdom</i> .
<i>UK firm</i>	(as defined in paragraph 10 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) a <i>person</i> whose head office is in the <i>United Kingdom</i> and who has an <i>EEA right</i> to carry on activity in an <i>EEA State</i> other than the <i>United Kingdom</i> .
<i>UK RCH</i>	an <i>RCH</i> that is not an <i>ROCH</i> .
<i>UK recognised body</i>	a <i>UK RIE</i> or <i>UK RCH</i> .
<i>UK RIE</i>	an <i>RIE</i> that is not an <i>ROIE</i> .
<i>UKLA</i>	(1) (except in relation to a part of the <i>Handbook</i>) the <i>FSA</i> acting in its capacity as the <i>competent authority</i> for the purposes of Part VI of the <i>Act</i> (Official Listing). (2) (in relation to a part of the <i>Handbook</i>) the United Kingdom Listing Authority sourcebook.
<i>ultimate parent undertaking</i>	(in relation to an <i>insurer</i>) a <i>parent undertaking</i> of the <i>insurer</i> that is not itself the <i>subsidiary undertaking</i> of another <i>undertaking</i> .
<i>umbrella</i>	(in <i>CIS</i>) a <i>collective investment scheme</i> under which the contributions of the <i>participants</i> in the <i>scheme</i> and the profits or income out of which payments are to be made to them are pooled separately in relation to separate parts of the <i>scheme property</i> .
<i>umbrella scheme</i>	(in <i>CIS</i>) an <i>authorised fund</i> that is an <i>umbrella</i> .
<i>unauthorised person</i>	a <i>person</i> who is not an <i>authorised person</i> .
<i>undertaking</i>	(as defined in section 259 of the Companies Act 1985 (Meaning of "undertaking" and related expressions)): (a) a <i>body corporate</i> or <i>partnership</i> ; or (b) an unincorporated association carrying on a trade or business, with or without a view to profit.
<i>underwriting agent</i>	a <i>firm</i> permitted by the <i>Council</i> to act as an underwriting agent at Lloyd's.
<i>underwriting capacity of a Lloyd's syndicate</i>	the <i>investment</i> , specified in article 86(1) of the <i>Regulated Activities Order</i> , which is the underwriting capacity of a <i>syndicate</i> .
<i>underwriting</i>	a <i>person</i> admitted to the <i>Society</i> as an underwriting member.

<i>member</i>	
<i>unit</i>	the investment, specified in article 81 of the <i>Regulated Activities Order</i> (Units in a collective investment scheme) and defined in section 237(2) of the <i>Act</i> (Other definitions)), which is the right or interest (however described) of the <i>participants</i> in a <i>collective investment scheme</i> ; this includes: <ul style="list-style-type: none"> (a) (in relation to an <i>AUT</i>) a unit representing the rights or interests of the <i>unitholders</i> in the <i>AUT</i>; (b) (in relation to an <i>ICVC</i>) a <i>share</i> in the <i>ICVC</i>.
<i>unit trust scheme</i>	(as defined in section 237(1) of the <i>Act</i> (Other definitions)) a <i>collective investment scheme</i> under which the property in question is held on trust for the <i>participants</i> .
<i>United Kingdom</i>	England and Wales, Scotland and Northern Ireland (but not the Channel Islands or the Isle of Man).
<i>unitholder</i>	(in relation to an <i>AUT</i> , and subject to <i>CIS</i> 11.3.2R (Special meaning of unitholder)): <ul style="list-style-type: none"> (a) (in relation to a <i>unit</i> represented by a <i>bearer certificate</i>) the <i>person</i> who holds the <i>bearer certificate</i>; (b) (in relation to a <i>unit</i> that is not represented by a <i>bearer certificate</i>) the <i>person</i> whose name is entered on the <i>register</i> in relation to that <i>unit</i>.
<i>unitisation</i>	arrangements for a newly formed <i>dual-priced AUT</i> under which: <ul style="list-style-type: none"> (a) the whole or part of the property of a <i>body corporate</i> (or a <i>collective investment scheme</i>) becomes the first property to be held on the trusts of the <i>AUT</i>; and (b) the <i>holders</i> of <i>shares</i> (or <i>units</i>) in the <i>body corporate</i> (or <i>collective investment scheme</i>) being wound up or property of which is being transferred become the first <i>participants</i> in the <i>AUT</i>.
<i>units in existence</i>	(in <i>CIS</i>) (in relation to an <i>AUT</i>) all <i>units</i> which are in issue and any <i>units</i> which the <i>trustee</i> is obliged to <i>issue</i> , less any <i>units</i> which the <i>trustee</i> is obliged to <i>cancel</i> .
<i>unregulated activity</i>	an activity which is not a <i>regulated activity</i> .
<i>unregulated collective investment scheme</i>	a <i>collective investment scheme</i> which is not a <i>regulated collective investment scheme</i> .
<i>unsolicited real time financial promotion</i>	(in accordance with article 8 of the <i>Financial Promotion Order</i>) (as more fully described in <i>COB</i> 3.10.1R (Meaning of "solicited" and "unsolicited" real time financial promotion)) a <i>real time financial promotion</i> which is not a <i>solicited real time financial promotion</i> .
<i>valuation point</i>	(in <i>CIS</i>) a valuation point fixed by the <i>authorised fund manager</i> for the purpose of <i>CIS</i> 4.8.5R (Regular valuation points), <i>CIS</i> 4.8.6R

	(Additional valuation points) or <i>CIS</i> 15.8.3(1) or (2)R (Frequency of valuation).
<i>venture capital business</i>	<p>the business of carrying on any of:</p> <ul style="list-style-type: none"> (a) investing in, <i>advising on investments</i> which are, <i>managing investments</i> which are, <i>arranging (bringing about) transactions</i> in, or <i>making arrangements with a view to transactions in, venture capital investments</i>; (b) <i>advising on investments</i> or <i>managing investments</i> in relation to portfolios, or <i>establishing, operating or winding up collective investment schemes</i>, where the portfolios or <i>collective investment schemes</i> (apart from funds awaiting investment) invest only in <i>venture capital investments</i>; (c) any <i>custody</i> activities provided in connection with the activities in (a) and (b); (d) any related <i>ancillary activities</i>.
<i>venture capital contact</i>	<p>(when a <i>firm</i> carries on <i>designated investment business</i> with or for a <i>person</i> in the course of or as a result of carrying on <i>venture capital business</i>) that <i>person</i> in connection with that <i>designated investment business</i> if:</p> <ul style="list-style-type: none"> (a) the <i>firm</i> does not behave in a way towards that <i>person</i> which might reasonably be expected to lead that <i>person</i> to believe that he is being treated as a <i>client</i>; and (b) the <i>firm</i> clearly indicates to that <i>person</i> that the <i>firm</i>: <ul style="list-style-type: none"> (i) is not acting for him; and (ii) will not be responsible to him for providing protections afforded to <i>clients</i> of the <i>firm</i> or be advising him on the relevant transaction.
<i>venture capital firm</i>	a <i>firm</i> whose <i>permission</i> includes a <i>requirement</i> that it must not conduct <i>designated investment business</i> other than <i>venture capital business</i> .
<i>venture capital investment</i>	<p>a <i>designated investment</i> which, at the time the investment is made, is:</p> <ul style="list-style-type: none"> (a) in a new or developing <i>company</i> or venture; or (b) in a management buy-out or buy-in; or (c) made as a means of financing the investee <i>company</i> or venture and accompanied by a right of consultation, or rights to information, or board representation, or management rights; or (d) acquired with a view to, or in order to, facilitate a transaction falling within (a) to (c).
<i>VJ participant</i>	a <i>person</i> subject to the <i>Voluntary Jurisdiction</i> by contract.
<i>Voluntary Jurisdiction</i>	the jurisdiction of the <i>Financial Ombudsman Service</i> in which <i>persons</i> (whether <i>authorised</i> or <i>unauthorised</i>) participate by contract.

<i>voting power</i>	(in relation to an <i>undertaking</i>) (in accordance with section 422(7) of the <i>Act</i> (Controller)) voting power exercisable at a general meeting of the <i>undertaking</i> or, if the <i>undertaking</i> does not have general meetings at which matters are decided by the exercise of voting rights, the right under the constitution of the <i>undertaking</i> to direct the overall policy of the <i>undertaking</i> or to alter the terms of its constitution.
<i>waiver</i>	a direction waiving or modifying a <i>rule</i> , given by the <i>FSA</i> under sections 148, 250 or 294 of the <i>Act</i> (Waiver or modification of rules) or regulation 7 of the <i>OEIC Regulations</i> (Modification or waiver of <i>FSA</i> rules) (see <i>SUP</i> 8 and <i>REC</i> 3.3).
<i>warning notice</i>	a notice issued by the <i>FSA</i> in accordance with section 387 of the <i>Act</i> (Warning notices).
<i>warrant</i>	<p>(1) (except in <i>CIS</i>) the <i>investment</i>, specified in article 79 of the <i>Regulated Activities Order</i> (Instruments giving entitlements to investments), which is in summary: a warrant or other instrument entitling the holder to subscribe for a <i>share</i>, <i>debenture</i> or <i>government and public security</i>.</p> <p>(2) (in <i>CIS</i>) an <i>investment</i> in (1) and any other <i>transferable security</i> (not being a nil paid or partly paid <i>security</i>) which is:</p> <ul style="list-style-type: none"> (i) <i>listed</i> on an <i>eligible securities</i> market; and (ii) akin to an <i>investment</i> within (1) in that it involves a down payment by the then holder and a right later to surrender the instrument and to pay more <i>money</i> in return for a further <i>transferable security</i>.
<i>warrant scheme</i>	an <i>authorised fund</i> which invests entirely in <i>warrants</i> .
<i>welfare trust</i>	any scheme or arrangement, not being an <i>occupational pension scheme</i> , that is comprised in one or more instruments or agreements and operates as a benevolent fund so as to provide benefits, at the discretion of the trustees and to which the beneficiaries have no contractual rights.
<i>whole life assurance</i>	a <i>contract of insurance</i> which, disregarding any benefit payable on surrender, secures a capital sum only on death or either on death or on disability, but does not include a term assurance.
<i>wholesale market broker</i>	a <i>firm</i> when carrying out the activities of <i>name-passing broker</i> , or acting on a matched principal basis, with or for <i>market counterparties</i> .
<i>Zone A country</i>	any <i>EEA State</i> and any other country which is a full member of the <i>OECD</i> and any country which has concluded special lending arrangements with the International Monetary Fund associated with the Fund's General Arrangements to Borrow.