

HANDBOOK ADMINISTRATION (NO 21) INSTRUMENT 2011**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force as follows:
- (1) Part 2 of Annex B (SYSC) comes into force on 1 May 2011;
 - (2) the remainder of this instrument comes into force on 6 April 2011.

Amendments to the Handbook

- D. The modules listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
General provisions (GEN)	Annex C
Fees manual (FEES)	Annex D
Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU)	Annex E
Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)	Annex F
Conduct of Business sourcebook (COBS)	Annex G
Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex H
Supervision manual (SUP)	Annex I
Dispute Resolution: Complaints sourcebook (DISP)	Annex J
Credit Unions sourcebook (CRED)	Annex K
Recognised Investment Exchanges and Recognised Clearing Houses sourcebook (REC)	Annex L

Amendments to material outside the Handbook

- E. The Perimeter Guidance manual (PERG) is amended in accordance with Annex M to this instrument.

Citation

- F. This instrument may be cited as the Handbook Administration (No 21) Instrument 2011.

By order of the Board
24 March 2011

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definition in the appropriate alphabetical place. The new text is not underlined.

Money Advice Service the consumer financial education body (*CFEB*) established by the *FSA* under section 6A(1) of the *Act* (Enhancing public understanding of financial matters etc).

RSRB permission (in *FEES*) an *authorisation* to carry on one or more *regulated sale and rent back activities*.

Amend the following as shown.

CFEB ~~Consumer Financial Education Body Limited~~ the consumer financial education body established by the *FSA* under section 6A(1) of the *Act* (Enhancing public understanding of financial matters etc) and having the name Money Advice Service.

relevant person (1) (in *COMP*) a *person* ~~(other than a person with an interim *RSRB permission* because he has submitted an application for interim permission in accordance with article 32(1) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (SI 2009/1342) which has been approved by the *FSA*)~~ for *claims* against whom the *compensation scheme* provides cover, as defined in *COMP* 6.2.1R.

...

Delete the following definitions.

~~*Consumer Financial Education Body Limited* the *body corporate* established by the *FSA* under section 6A(1) of the *Act* (Enhancing public understanding of financial matters etc.)~~

~~*full RSRB permission* (in *FEES*) an *authorisation* which is not an *interim RSRB permission* to carry on one or more *regulated sale and rent back activities*.~~

~~*interim RSRB permission* (in *SYSC* and *FEES*) a *Part IV permission* to carry on one or more *regulated sale and rent back activities* deemed to have been granted by article 32 (Interim permission and interim variation of permission) of the Financial Services and Markets~~

~~Act 2000 (Regulated Activities) (Amendment) Order 2009 (SI 2009/1342) to a *person* because he has submitted an application for interim permission or an interim variation of permission in accordance with article 32(1) of the Order and such permission has been given by the FSA.~~

moneymadeclar

~~information for consumers produced and published by the Consumer Financial Education Body.~~

Annex B

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1: Comes into force on 6 April 2011

4.1.2A G Other *firms* should take account of the comprehensiveness and proportionality *rule* (SYSC 4.1.2R) as if it were *guidance* (and as if “should” appeared in that rule instead of “must”) as explained in SYSC 1 Annex 1.3.3G ~~but a *firm* with an *interim RSRB permission* to the extent that it carries on *regulated sale and rent back activity*, need not take into account the specific technical criteria described in SYSC 4.1.7R, SYSC 5.1.7R and SYSC 7.~~

...

4.4.1A R ~~SYSC 4.4.3R (Maintaining a clear and appropriate apportionment) also applies to a *firm* with an *interim RSRB permission* to the extent that it carries on *regulated sale and rent back activity*. [deleted]~~

Part 2: Comes into force on 1 May 2011

Chief Risk Officer

21.1.2 G (1) A Chief Risk Officer should:

...

(j) provide risk-focused advice and information into the setting and individual application of the *firm's remuneration* policy (where the *Remuneration Code* applies, see ~~Remuneration Principle 2~~ at in particular SYSC 19.3.3E 19A.3.15E).

...

Annex C

Amendments to the General Provisions (GEN)

In this Annex, underlining indicates new text and striking thorough indicates deleted text.

Schedule 4 Powers exercised

...

Sch 4.5 G

The following powers and related provisions in the <i>Act</i> have been exercised by the <i>FSA</i> to issue the parts of the statements in <i>GEN</i> :	
	...
	Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the <i>Payment Services Regulations</i> <u>and paragraph 1 of the Schedule to the <i>Cross-Border Payments in Euro Regulations</i></u>)
	...
	Section 210 (Statements of policy) (including as applied by regulation 86(6) of the <i>Payment Services Regulations</i> <u>and paragraph 3 of the Schedule to the <i>Cross-Border Payments in Euro Regulations</i></u>)
	Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the <i>Payment Services Regulations</i> <u>and paragraph 5 of the Schedule to the <i>Cross-Border Payments in Euro Regulations</i></u>)

Sch 4.6 G

The following additional powers and related provisions have been exercised by the <i>FSA</i> to issue the parts of the statements in <i>GEN</i> :	
	...
	Regulation 93 ...
	<u>Regulation 14 (Guidance) of the <i>Cross-Border Payments in Euro Regulations</i></u>

...

Sch 4.10 G

The following additional powers have been exercised by the <i>FSA</i> to make the other <i>guidance</i> in <i>GEN</i> :	
	Regulation 93 ...
	<u>Regulation 14 (Guidance) of the <i>Cross-Border Payments in Euro</i></u>

	<u>Regulations</u>
--	--------------------

Annex D

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking thorough indicates deleted text.

1.1.2 R ...

(4) *FEES* 1, 2 and 6 apply to:

- (a) every *participant firm* ~~other than a person with an interim RSRB permission (and no other permissions) because he has submitted an application for interim permission in accordance with article 32(1) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (SI 2009/1342) and that permission has been given;~~

...

...

...

3.1.2 G This chapter does not apply to:

- ~~(a)~~ (1) an *EEA firm* that wishes to exercise an *EEA right*; or
- ~~(b)~~ (2) an *EEA authorised payment institution*; or
- ~~(c)~~ (3) an *EEA authorised electronic money institution*.

...

3.2.7 R Table of application, notification and vetting fees

(1) Fee payer	(2) Fee payable	Due date
...		
(zi) An application by a <i>small electronic money institution</i> for authorisation as an <i>authorised <u>electronic</u> money institution</i> because regulation 16 of the <i>Electronic Money Regulations</i> applies.	The amount set out in <i>FEES</i> 3 Annex 10R.	On or before the date the application is made.
...		

...

3 Annex 1R Authorisation fees payable

...

Part 2 – Complexity Groupings Straightforward Cases

Straightforward cases	
Activity grouping	Description
...	
A.18	<p><i>Home finance providers, advisers and arrangers (excluding home finance providers).</i></p> <p>In the case of applicants for <i>interim RSRB permission</i> within this activity group the specified amount payable is £1,000.</p>
...	

Moderately Complex Cases

Moderately complex cases	
Activity grouping	Description
...	
A.2	<p><i>Home finance providers and administrators.</i></p> <p>In the case of applicants for <i>interim RSRB permission</i> within this activity group the specified amount payable is £3,000.</p>
...	

...

...

6.1.1 R This chapter applies to:

- (1) ~~every participant firm other than a person with an *interim RSRB permission* (and no other *permissions*) because he has submitted an application for *interim permission* in accordance with article 32(1) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (SI 2009/1342) and that permission has been given;~~

...

...

TP 1 Transitional Provisions

(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.	<i>FEES 3 Annex 1R Part 1 and Activity Groups A.2 and A.18</i> [deleted]	R	<p>The amount payable under <i>FEES 3 Annex 1R Part 1</i> is modified as follows:</p> <p>(a) for an applicant for <i>full RSRB permission</i> within the A.18 activity group who was granted, up until 29 June 2010, an <i>interim RSRB permission</i> within this activity group that was not an interim variation of permission, the specified amount payable is £500;</p> <p>(b) for an applicant for <i>full RSRB permission</i> within the A.2 activity group who was granted, up until 29 June 2010, an <i>interim RSRB permission</i> within this activity group that was not an interim variation of permission, the specified amount is £2,000.</p>	29 January 2010 to 29 June 2010	29 January 2010
6.	<i>FEES 3.2.7R(p)</i> [deleted]	R	<p>(1) The fee payable under <i>FEES 3.2.7R(p)</i> is modified in relation to a <i>firm</i> applying for any one or more <i>regulated sale and rent back activity</i> as follows.</p> <p>(2) Unless (3) applies, if the variation involves the <i>firm</i> applying for any one or more <i>regulated sale and rent back activity</i> and that <i>firm</i> was granted, up until 29 June 2010, an <i>interim RSRB permission</i> that was an interim variation of permission, the fee is 50% of the highest of the tariffs set out in <i>FEES 3 Annex 1R</i> which apply to that application net of any <i>interim RSRB permission</i> application fee paid to the <i>FSA</i>.</p> <p>(3) If the activity groups applicable to a <i>firm</i>, as specified at Part 1 of <i>FEES 4 Annex 1R</i>, were not altered when it was granted an <i>interim RSRB permission</i> that was an interim variation of permission and will not alter if it is granted a <i>full</i></p>	29 January 2010 to 29 June 2010	29 January 2010

			RSPB permission, no fee is payable.		
...					

Annex E

**Amendments to the Prudential sourcebook for Banks, Building Societies and
Investment Firms (BIPRU)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

10 Large exposures requirements

...

10.10A Connected counterparties: trading book limits

...

Percentages applicable under BIPRU 10.10A.9R

10.10A.10 R This table belongs to *BIPRU* 10.10A.9R

Excess exposure <u>Trading book concentration risk excess</u> (as a percentage of the <i>firm's capital resources</i> calculated at stage (T) of the <i>capital resources table</i> (Total capital after deductions))	Percentage
25% up <u>Up to 40%</u>	200%
Portion from 40% - 60%	300%
Portion from 60% - 80%	400%
Portion from 80% - 100%	500%
Portion from 100% - 250%	600%
Portion over 250%	900%

Annex F

Amendments to the Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 4.1.19 G A registered social landlord is a non-profit organisation which provides and manages homes for rent and sale for people who might not otherwise be able to rent or buy on the open market. It can be a housing association, a housing society or a non-profit making housing company. ~~The Housing Corporation, which was set up by Parliament in 1964, funds homes built by registered social landlords from money received from central government.~~ The Homes and Communities Agency and the Tenant Services Authority were set up by Parliament in 2008 and cooperate in providing financial assistance for social housing.

Annex G

Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text and striking thorough indicates deleted text.

9 Annex 2G Sale processes for stakeholder products

...

...

General Standards - all sales	
...	
21	A <i>firm</i> may provide a copy of the table setting out initial monthly pension amounts, found within the “Stakeholder pension decision tree” factsheet, available on www.moneymadeclear.org.uk <u>www.moneyadvice.service.org.uk</u> in accordance with COBS 13 Annex 2 1.8R, but in doing so should also provide and explain the caveats and assumptions behind the table. A <i>firm</i> should make it clear that the decision on how much to invest is the <i>retail client’s</i> responsibility and that he should get further advice if has any concerns.
...	

...

13 Annex 2 Projections

...

R	
1.8	In the case of a <i>stakeholder pension scheme</i> , the specimen benefits table, contained within the “Stakeholder pension decision tree” factsheet available on www.moneymadeclear.org.uk <u>www.moneyadvice.service.org.uk</u> and headed “Pension Table...How much should I save towards a pension?” which sets out initial monthly pension amounts, may be used instead of a <i>standardised deterministic projection</i> but only if it is accompanied by an explanation of the caveats and assumptions behind the table.

...

19.4.1 R In this section:

...

(3) ‘open market option statement’ means:

- (a) the fact sheet “Your pension: it’s time to choose” available on www.moneymadeclear.org.uk www.moneyadvice.service.org.uk, together with a written summary of the *retail client’s* open market option, which is sufficient for the *client* to be able to make an informed decision about whether to exercise, or to decline to exercise, an open market option; or

...

Annex H

Amendments to the Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)

In this Annex, underlining indicates new text and striking through indicates deleted text.

5.6.65 R The following text must be included at the end of Section 7 “Are you comfortable with the risks?” The ~~moneymadeclear~~ Money Advice Service information sheet “You can afford your mortgage now, but what if...?” will help you consider the risks. You can get a free copy from ~~www.moneymadeclear.org.uk~~ http://www.moneyadvice.service.org.uk, or by calling 0300 500 5000.

...

5.6.145 R The following text must be included at the end of Section 7 ‘Are you comfortable with the risks?’ The ~~moneymadeclear~~ Money Advice Service information sheet “You can afford your mortgage now, but what if...?” will help you consider the risks. You can get a free copy from ~~www.moneymadeclear.org.uk~~ http://www.moneyadvice.service.org.uk, or by calling 0300 500 5000.

...

5 Annex 1R The mortgage illustration: table of contents, prescribed text and prescribed section headings and subheadings.

<p>...</p> <p>[...]. Where can you get more information about mortgages?</p>
<p>The Consumer Financial Education Body <u>Money Advice Service</u> publishes useful guides on choosing a mortgage. These are available free through its website: www.moneymadeclear.org.uk <u>www.moneyadvice.service.org.uk</u>, or by calling 0300 500 5000. The website also provides Comparative Tables to help you shop around.</p>

...

...

9 Annex 1R The illustration: table of contents, prescribed text and prescribed section headings and subheadings.

<p>...</p> <p>1. About this information</p>
<p>...</p> <p>The Consumer Financial Education Body (CFEB) <u>Money Advice Service</u></p>

provides useful information on lifetime mortgages and other ways of releasing equity from your home in a booklet called 'Raising money from your home'. You can get this free through the ~~CFEB~~ Money Advice Service website ~~www.moneymadeclear.org.uk~~ www.moneyadvice.service.org.uk or by calling 0300 500 5000.

...

9 Annex 2R

The illustration: table of contents, prescribed text and prescribed section headings and sub-headings

...

1. About this information

...

The ~~Consumer Financial Education Body (CFEB)~~ Money Advice Service provides useful information on ways of releasing equity from your home in a booklet called 'Raising money from your home'. You can get this free through the ~~CFEB~~ Money Advice Service website ~~www.moneymadeclear.org.uk~~ www.moneyadvice.service.org.uk or by calling 0300 500 5000.

...

...

13.4.1 R If a *customer* falls into *arrears* on a *regulated mortgage contract*, a *firm* must as soon as possible, and in any event within 15 *business days* of becoming aware of that fact, provide the *customer* with the following in a *durable medium*:

- (1) the current ~~moneymadeclear~~ Money Advice Service information sheet "~~Just the facts about problems~~ Problems paying your mortgage";

...

13.4.2 G (1) The ~~moneymadeclear~~ Money Advice Service information sheet "~~Just the facts about problems~~ Problems paying your mortgage" is available on the website ~~www.moneymadeclear.org.uk~~ www.moneyadvice.service.org.uk; copies can also be obtained by calling 0300 500 5000.

...

13.4.3 G (1) A *firm* may provide the information in MCOB 13.4.1R (2), (3), (4), (5) and (6) orally, for example by telephone, but must provide the information in a *durable medium* with a copy of the ~~moneymadeclear~~ Money Advice Service information sheet "~~Just the facts about problems~~ Problems paying your mortgage" within 15

business days of becoming aware of the *customer's* account falling into *arrears*.

...

...

- 13.7.1 R Where the *regulated mortgage contract* is for a business purpose, a *firm* may as an alternative to *MCOB* 13.4.1R(1) provide the following information in a *durable medium* instead of the ~~*moneymadeclear*~~ *Money Advice Service* information sheet “~~Just the facts about problems~~ *Problems paying your mortgage*”:

...

...

TP 1.1 Transitional Provisions

(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	<u><i>MCOB</i> 5.6.2R, <i>MCOB</i> 5.6.65R, <i>MCOB</i> 5.6.145R and <i>MCOB</i> 5 Annex 1R</u>	R	<u>A firm may continue to use an illustration that has been prepared in accordance with the rules in <i>MCOB</i> 5.6 in effect at 5 April 2011.</u>	<u>From 6 April 2011 to 5 July 2011</u>	<u>6 April 2011</u>
15	<u><i>MCOB</i> 9.4.2R, <i>MCOB</i> 9 Annex 1R and <i>MCOB</i> 9 Annex 2R</u>	R	<u>A firm may continue to use an illustration that has been prepared in accordance with the rules in <i>MCOB</i> 9.4 in effect at 5 April 2011.</u>	<u>From 6 April 2011 to 5 July 2011</u>	<u>6 April 2011</u>
16	<u><i>MCOB</i> 13.4.1R(1)</u>	R	<u>A firm which complies with <i>MCOB</i> 13.4.1R(1) as it applied on 5 April 2011 need not comply with <i>MCOB</i> 13.4.1R(1) as it applies from 6 April 2011.</u>	<u>From 6 April 2011 to 5 July 2011</u>	<u>6 April 2011</u>

Annex I

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking thorough indicates deleted text.

- 7.2.6 G A *firm* has a right of referral to the ~~*Financial Services and Markets Tribunal*~~ in respect of the exercise by the *FSA* of its powers to vary, on its own initiative, the *firm's Part IV permission*.

...

10.7 Required functions

...

- 10.7.4 G Generally, in relation to a *UK* establishment of an *overseas firm* or a *firm* which is part of an *overseas group*, where an overseas manager's responsibilities in relation to the *United Kingdom* are strategic only, he will not need to be an *approved person*. However, where, in accordance with *SYSC 3* or *SYSC 4* to *SYSC 10*, he is responsible for implementing that strategy in the *United Kingdom*, and has not delegated that responsibility to a *senior manager* in the *United Kingdom*, he is likely to be performing a *controlled function*, such as, for example, the *chief executive function*. ~~This is subject to *SUP 10.1.13AR*, which applies where the *firm* is a *MiFID investment firm* and the only regulated activities carried out by it in the *United Kingdom* are *MiFID business*.~~

Annex J**Amendments to the Dispute Resolution: Complaints sourcebook (DISP)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

Appendix 3 Handling Payment Protection Insurance complaints

...

App 3.7.15 So that the complainant can make the decision on the continuation of cover from an informed position, the *firm* should:

...

- (5) refer the complainant to ~~www.moneymadeclear.org.uk~~ www.moneyadvice.service.org.uk as a source of information about a range of alternative *payment protection contracts*.

Annex K**Amendments to the Credit Unions sourcebook (CRED)**

In this Annex, striking through indicates deleted text.

14.6 Individual requirements

...

The FSA's powers to set individual requirements on its own initiative

...

- 14.6.6 G A *credit union* may refer this decision to the ~~*Financial Services and Markets Tribunal*~~.

Annex L**Amendments to the Recognised Investment Exchanges and Recognised Clearing Houses sourcebook (REC)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 4.2D.2 G The procedure the *FSA* will follow if it exercises its power to require a *UK RIE* to suspend or remove a ~~financial instrument~~ financial instrument from trading is set out in ~~section~~ sections 313B to 313BE of the *Act*. ...
- 4.2D.3 G Under section 313C(1) of the *Act*, if the *FSA* exercises its power to require a *UK RIE* to suspend or remove a *financial instrument* from trading, it must as soon as reasonably practicable:
- (1) publish its decision in such manner as it considers appropriate, unless the decision has already been published under section 313B(2)(b) of the *Act*; and
 - (2) inform the competent authorities of all other *EEA States* of its decision.

Annex M

Amendments to the Perimeter Guidance manual (PERG)

In this Annex, underlining indicates new text and striking through indicates deleted text.

3A Guidance on the scope of the Electronic Money Regulations 2011

...

3A.7 Transitional arrangements

...

Q31. We are currently a small ~~electronic money~~ e-money issuer. Do we need to have applied for authorisation under the regulations prior to 30 April 2011?

No, under regulation 76, provided:

- you are a *small ~~electronic money~~ e-money issuer*; and
- before the 30 April 2011 you carried on the activity of issuing *electronic money* in accordance with your certificate;

you may continue until 30 April 2012 to carry on that activity without requiring authorisation or registration under the regulations.

...

4.13.1 G Certain named *persons* are exempted by the *Exemption Order* from the need to obtain *authorisation*. The following bodies are exempt in relation to carrying on by them of any of the *regulated mortgage activities*:

- (1) local authorities (paragraph 47 of the Schedule to the *Exemption Order*) but not their *subsidiaries*;
- (2) registered social landlords in England and Wales within the meaning of Part I of the Housing Act 1996 (paragraph 48(2)(a) of the Schedule to the *Exemption Order*) but not their subsidiaries;
- (3) registered social landlords in Scotland within the meaning of the Housing (Scotland) Act 2001 (paragraph 48(2)(b) of the Schedule to the *Exemption Order*) but not their subsidiaries;
- (4) ~~The Housing Corporation~~ Office of Tenants and Social Landlords (known as the Tenant Services Authority) (paragraph 48(2)(c) of the Schedule to the *Exemption Order*);
- (4A) The Homes and Communities Agency (paragraph 48(2)(ca) of the Schedule to the *Exemption Order*);
- (5) Scottish Homes (paragraph 48(2)(d) of the Schedule to the *Exemption Order*); and

- (6) The Northern Ireland Housing Executive (paragraph 48(2)(e) of the Schedule to the *Exemption Order*).

...

5.14.5 G In addition to certain named *persons* exempted by the *Exemption Order* from the need to obtain *authorisation*, the following bodies are exempt in relation to *insurance mediation activities* that do not relate to *life policies*:

- (1) local authorities but not their subsidiaries;
- (2) registered social landlords in England and Wales within the meaning of Part I of the Housing Act 1996 but not their subsidiaries;
- (3) registered social landlords in Scotland within the meaning of the Housing (Scotland) Act 2001 but not their subsidiaries;
- (4) ~~the Housing Corporation~~ the Office of Tenants and Social Landlords (known as the Tenant Services Authority);
- (4A) the Homes and Communities Agency;
- (5) Scottish Homes; and
- (6) The Northern Ireland Housing Executive.

...

8.4.21 G These will be advertisements that contain encouragement to contact the advertiser. They are likely to be inducements to do business with him or to get more information from him. If so, they will be inducements to *engage in investment activity* if they seek to persuade or incite *persons* to buy or sell *investments* or to get investment services. See *PERG 8.4.7G* for more *guidance* on preliminary communications and whether they are a significant step in the chain of events which are intended to lead to the recipient *engaging in investment activity*. Where advertisements invite *persons* to send for a prospectus, article ~~73~~ 71 (Material relating to prospectus for public offer of unlisted securities) may provide an exemption. Any *financial promotion* which contains more information than is allowed by article ~~73~~ 71 but which is not the prospectus itself is likely to require *approval* by an *authorised person* unless another exemption applies.

...

9.4.3 G In the *FSA's* view, it is the very existence of the *body corporate* that is the *collective investment scheme*. There are a number of statutory references that support this view. For example, it is clear that paragraph 21 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 (SI 2001/1062) (Arrangements not amounting to a collective investment scheme) is drafted on the basis that it

is the *body corporate* itself that is (or would be) the *collective investment scheme*. This provision ~~states~~ sets out that 'no body corporate other than an open-ended investment company, a limited liability partnership or certain other types of mutual body amounts to a collective investment scheme'. So, any particular *body corporate* is either an *open-ended investment company* or it is not. It cannot be both at the same time, although it may change from one to the other over time (see *PERG 9.7.5G* (The investment condition: the 'reasonable investor') for further *guidance* on this point).

...