
STATUTORY INSTRUMENTS

2001 No. 544

**The Financial Services and Markets Act
2000 (Regulated Activities) Order 2001**

PART II

SPECIFIED ACTIVITIES

CHAPTER XVII

Exclusions Applying to Several Specified Kinds of Activity

Activities carried on in connection with the sale of a body corporate

70.—(1) A person does not carry on an activity of the kind specified by article 14 by entering as principal into a transaction if—

- (a) the transaction is one to acquire or dispose of shares in a body corporate other than an open-ended investment company, or is entered into for the purposes of such an acquisition or disposal; and
 - (b) either—
 - (i) the conditions set out in paragraph (2) are met; or
 - (ii) those conditions are not met, but the object of the transaction may nevertheless reasonably be regarded as being the acquisition of day to day control of the affairs of the body corporate.
- (2) The conditions mentioned in paragraph (1)(b) are that—
- (a) the shares consist of or include 50 per cent or more of the voting shares in the body corporate; or
 - (b) the shares, together with any already held by the person acquiring them, consist of or include at least that percentage of such shares; and
 - (c) in either case, the acquisition or disposal is between parties each of whom is a body corporate, a partnership, a single individual or a group of connected individuals.
- (3) In paragraph (2)(c), “a group of connected individuals” means—
- (a) in relation to a party disposing of shares in a body corporate, a single group of persons each of whom is—
 - (i) a director or manager of the body corporate;
 - (ii) a close relative of any such director or manager;
 - (iii) a person acting as trustee for any person falling within paragraph (i) or (ii); and
 - (b) in relation to a party acquiring shares in a body corporate, a single group of persons each of whom is—
 - (i) a person who is or is to be a director or manager of the body corporate;

(ii) a close relative of any such person; or

(iii) a person acting as trustee for any person falling within paragraph (i) or (ii).

(4) A person does not carry on an activity of the kind specified by article 21 by entering as agent into a transaction of the kind described in paragraph (1).

(5) There are excluded from article 25(1) and (2) arrangements made for, or with a view to, a transaction of the kind described in paragraph (1).

(6) There is excluded from article 53 the giving of advice in connection with a transaction (or proposed transaction) of the kind described in paragraph (1).