

Road Map for Regulated Activities Order (including Exclusions) and Exemptions Regulations				
Activity, Exclusion or Exemption	Existing Legislation	New Legislation	Change and Rationale for the Change	Impact/Need for Comments
<i>Banks and Building Societies</i>				
Definition of Banking Business	Banking Act 1998 (S.1)	Regulated Activities Order (Paragraph 1 of Schedule 1)	CAROL 2 - Removal of the definition “payment and collection of cheques”. Also Building Society activities are included in this paragraph. CAROL 8 - Acting as an approved manager to managed banks is now a specific class of activity (Class 7). Banking business now referred to as deposit taking.	Material Comments are welcomed.
Definition – Acting as a Building Society	Building Societies Act 1986, as amended (S.1) which amended S.7 of the Industrial and Building Societies Act 1892.	Regulated Activities Order (Paragraph 1 of Schedule 1)	No change - S.7 of the Industrial and Building Societies Act 1892 will still exist – this will replicate the definition.	None
Exclusion for Governments, the IOM Post Office Authority or UK National Savings Bank and other certain persons	Banking Act (Exemptions) Regulations 1999	Regulated Activities Order (Exclusion 1 (a) and (b) of Schedule 1)	Change from Exemption to Exclusion.	None
Exclusion for sums	Not in existing legislation	Regulated	Money must be held in a client account.	Will only affect

received in exchange for e-money		Activities Order (Exclusion I (e) of Schedule I)		Money Service Businesses.
Exemption for Building Societies	Banking Act (Exemptions) Regulations 1999	No longer required	Now licensable under the definition of Deposit taking.	Limited
Exemption for Group Business	Banking Act (Exemptions) Regulations 1999	Regulated Activities Order (Exclusion I (f) of Schedule I)	CAROL 2 - Exemption changed to exclusion in line with group activities in other regulated sectors. There are no reporting requirements under the exclusion. CAROL 8 – wording simplified	Limited
New exclusions	Credit unions, Client money or trust money, friendly societies, diocesan board of finance	Regulated Activities Order (Exclusion I (c), (d), (g) and (h) of Schedule I)	New exclusions for clarification or consistency purposes.	Limited
Exemption for Officers	New Exemption	Financial Services (Exemptions) Regulations (Schedule I, paragraph 1)	This exemption replicates one which currently exists for CSPs and clarifies the position where the work of a licenceholder is carried out by the staff of another group company (the service company).	None
Exemption in relation to Temporary Business Continuity Operations	Banking (Exemption) (Temporary Business Continuity Operations) Regulations 2002	Financial Services (Exemptions) Regulations (Schedule 2)	No change other than change of location, simplified wording, and layout.	None

- 2 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

<i>Investment Business</i>				
Dealing in Investments as a Principal	Investment Business Order 2004 – Schedule I Part I Paragraph 1	Regulated Activities Order (Paragraph 2(1) of Schedule 1)	Dealing activity split between dealing as a principal and dealing as an agent to differentiate between areas of risk.	Limited
Dealing in Investments as Agent	Investment Business Order 2004 – Schedule I Part I Paragraph 1	Regulated Activities Order (Paragraph 2(2) of Schedule 1)	Dealing activity split between dealing as a principal and dealing as an agent to differentiate between areas of risk.	Limited
Arranging Deals	Investment Business Order 2004 – Schedule I Part I Paragraph 2	Regulated Activities Order (Paragraph 2(3) of Schedule 1)	The sub-paragraph which disappplied the activity of arranging deals in investments to transactions where the arranger is a party has been moved from the activity paragraph to a specific exclusion in Paragraph 16 of Schedule 1.	None
Managing Investments	Investment Business Order 2004 – Schedule I Part I Paragraph 3	Regulated Activities Order (Paragraph 2(4) of Schedule 1)	CAROL 2 - Minor change to separate out safe custody into Regulated Activities Order (Paragraph 2(5) of Schedule 1) and to include the administering of assets and the arranging for others to carry on the activity within the definition in order to differentiate between areas of risk. CAROL 8 - Specific mention made to	Limited

- 3 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

			bearer instruments	
Safeguarding and Administering Specified Investment Products	Part of Investment Business Order 2004 – Schedule I Part I Paragraph 3	Regulated Activities Order (Paragraph 2(5) of Schedule I)	CAROL 8 - Minor change to separate safe custody into Regulated Activities Order (Paragraph 2(5) of Schedule I) and to include the need for a contractual arrangement.	Limited
Giving Investment Advice	Investment Business Order 2004 – Schedule I Part I Paragraph 4	Regulated Activities Order (Paragraph 2(6) of Schedule I)	This has been changed to clarify that the definition includes an attorney giving investment advice to an investor or potential investor.	Limited
Administration Services	Financial Resources and Compliance Reporting Regulatory Code 16 (c) – contained within the definition of Category 3 group (b) licenceholder	Regulated Activities Order (Paragraph 7 of Schedule I)	As the focus of licensing moves from category to activity the activity of administering a managed operation needs to be identified as a regulated activity.	None
Exclusion for Acceptance of Instruments creating or acknowledging Indebtedness	New Exclusion	Regulated Activities Order (Exclusion 2 (a) of Schedule I)	CAROL 2 - Proposed new exclusion from dealing in investment products as a principal where accepting instruments in respect of loans, credit, guarantee or other financial obligations. This exclusion is proposed to ensure consistency with the UK framework.	Limited
Exclusion for Issue by a company of its own Shares or Debentures	Investment Business Order 2004 – Schedule I Part II Paragraph 6	Regulated Activities Order (Exclusion 2 (b) of Schedule I)	CAROL 8 - No change	None

- 4 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

Exclusion for Statutory Corporation and Local Authorities	Investment Business Order 2004 – Schedule I Part II Paragraph 7 and 8	Financial Services (Exemptions) Regulations (Schedule I, paragraph 2.9)	CAROL 2 - These exclusions have been changed to exemptions to reflect the fact that some bodies are becoming involved in investments other than “plain vanilla”. The only difference to the definition is that it no longer covers the activities of managing etc. a collective investment scheme. CAROL 8 – wording has been simplified.	Limited/ None
Exclusion for Groups and Joint Enterprises	Investment Business Order 2004 – Schedule I Part II Paragraph 9	Regulated Activities Order (Exclusion 2 (c) of Schedule I)	No real change.	None
Exclusion for Advice given in the course of a Profession or Non-Investment Business	Investment Business Order 2004 – Schedule I Part II Paragraph 10	Regulated Activities Order (Exclusion 2 (n) of Schedule I)	No real change although the title has changed to “Professional Services” and the wording has adopted that used by the Corporate Services Providers Act 2000, slightly amended.	None
Exclusion for Unsolicited or Legitimately Solicited Transactions etc with or for Overseas Persons	Investment Business Order 2004 – Schedule I Part II Paragraph 11	Regulated Activities Order (Exclusion 2 (d) of Schedule I)	CAROL 2 - Currently no real change although if the amended version of “Advising on or Promoting Specified Investment Products” this will be reduced to unsolicited and solicited by IPA authorised firms or friendly societies. CAROL 8 - Now restricted to unsolicited transactions only.	Material

- 5 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

Exclusion for Employee Share Scheme	Investment Business Order 2004 – Schedule I Part II Paragraph 12	Regulated Activities Order (Exclusion 2 (f) of Schedule I)	Wording simplified	None
Exclusion for Sale of Company	Investment Business Order 2004 – Schedule I Part II Paragraph 13	Regulated Activities Order (Exclusion 2 (e) of Schedule I)	No real change although the title of the exclusion has been changed to Venture Capital to clarify the reason for the exclusion and separate this from the Corporate Services Exclusion. However, is this exclusion still relevant for industry?	None Comments welcome
Exclusion for Corporate Services	Investment Business Order 2004 – Schedule I Part II Paragraph 14	Regulated Activities Order (Exclusion 2 (g) of Schedule I)	No real change.	None
Exclusion for Introduction	Investment Business Order 2004 – Schedule I Part II Paragraph 15	Regulated Activities Order (Exclusion 2 (m) of Schedule I)	No real change to wording.	None
Exclusion for Introduction to Qualifying Custodians	New Exclusion	Regulated Activities Order (Exclusion 2 (o) of Schedule I)	The Introduction to Qualifying Custodians is a proposed new exclusion as per the UK which clarifies the current position. Term qualifying changed to eligible.	Limited
Exclusion for Trustees, Nominees and Personal Representatives	Investment Business Order 2004 – Schedule I Part II Paragraph 16	Regulated Activities Order (Exclusion 2 (i) and (j) of Schedule I)	Wording simplified.	None
Exclusion for Enabling Parties to Communicate	Investment Business Order 2004 – Schedule I	Regulated Activities Order (Exclusion 2	No real change.	None

- 6 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

	Part II Paragraph 17	(k) of Schedule 1)		
Exclusion for Transactions to which the Arranger is a Party	Investment Business Order 2004 – Schedule I Part I Paragraph 2	Regulated Activities Order (Exclusion 2 (l) of Schedule 1)	The sub-paragraph which disapplied the activity of arranging deals in investments to transactions where the arranger is a party has been moved from the activity paragraph to a specific exclusion in Paragraph 16 of Schedule 1.	None
Exclusion for Activities not constituting Administration	New Exclusion	Regulated Activities Order (Exclusion 2 (p) of Schedule 1)	Now includes safeguarding sealed packages in sub paragraph (d)	Limited Comments welcome
Exclusion for Advice given in Broadcast and Newspapers	Investment Business Order 2004 – Schedule I Part II Paragraphs 18 and 19	Regulated Activities Order (Exclusion 2 (q) of Schedule 1)	CAROL 2 - These exclusions have been combined and, in view of the changing world, have been made more generic rather than specifically mentioning Manx Radio or the BBC. However, there is no real change to the meaning of the exclusion. CAROL 8 - Now changed to advice given in media and wording simplified.	None
Exclusion for Insurance and Retirement Benefit Schemes	Investment Business Order 2004 – Schedule I Part II Paragraph 21	Regulated Activities Order (Exclusion 2 (r) of Schedule 1)	The only difference to the definition is that it no longer covers the activities of managing etc. a collective investment scheme.	Limited

- 7 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

Exclusion for Friendly Societies	Investment Business Order 2004 – Schedule I Part II Paragraph 22	Regulated Activities Order (Exclusion 2 (s) of Schedule I)	The only difference to the definition is that it no longer covers the activities of managing etc. a collective investment scheme.	Limited
Exclusion for Court Officers etc.	Investment Business Order 2004 – Schedule I Part II Paragraph 23	Regulated Activities Order (Exclusion 2 (t) of Schedule I)	The only difference to the definition is that it no longer covers the activities of managing etc. a collective investment scheme.	Limited
Exclusion for Diocesan Board of Finance	Investment Business Order 2004 – Schedule I Part II Paragraph 24	Regulated Activities Order (Exclusion 2 (u) of Schedule I)	The only difference to the definition is that it no longer covers the activities of managing etc. a collective investment scheme.	Limited Comments welcome
Exemption for Banks and Building Societies	Investment Business (Exemption) (Banks and Building Societies) Regulations 1992	No longer required Regulations to be revoked	Banks and Building Societies will have a licence covering all regulated activities	None
Exemption in relation to Certificates of Deposit	Investment Business (Exemption) (Certificates of Deposit) Regulations 1992	Financial Services (Exemptions) Regulations (Schedule I, paragraph 2.2)	CAROL 2 - no change other than change of location. Updated wording in CAROL 8.	None
Exemption in relation to Group Pension Schemes	Investment Business (Exemption) (Group	Financial Services (Exemptions)	CAROL 2 - No change other than change of location.	None

- 8 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

	Pension Schemes) Regulations 1996	Regulations (Schedule 1, paragraph 2.6)	Updated wording in CAROL 8 – heading now company pension schemes.	
Exemption in relation to Recognised Persons	Investment Business (Exemption) (Recognised Persons) Regulations 1996	No longer required Regulations to be revoked	Currently, there are no “Recognised Persons” under the current framework as the system was not as successful as it might have been. The concept of “Recognised Persons” will not be contained in the new Financial Services Act and therefore the Exemption Regulations will not be required.	None
Exemption in relation to Stockbrokers	Investment Business (Exemption, etc.) (Stockbrokers) Regulations 1996	No longer required Regulations to be revoked	These Exemption Regulations were originally designed to exempt the historical position where self-employed persons worked for stockbrokers. It is our understanding that this way of working has changed and now all are employees of the firm. Therefore these Regulations will not be required.	None
Miscellaneous Exemptions – Liquidator/Receiver, Mailing Services, UK Regulated Companies, Friendly Societies, Enduring Powers of Attorney, “Post Office” Facility, Nominees and Open-ended Collective Investment Schemes	Investment Business (Exemption) (Miscellaneous) Regulations 2001	Financial Services (Exemptions) Regulations (Schedule 1, Paragraphs 2.1, 2.3, 2.4, 2.5 and 2.7)	CAROL 2 - Exemption for UK Regulated Companies removed as it is believed that this is no longer required. Some other minor changes (mainly updating of wording) as well as change of location. New definition of nominee company included to differentiate between CSP	Limited Comments welcomed

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

			<p>nominee companies.</p> <p>Miscellaneous exemptions relating to collective investment schemes are referred to in the Collective Investment Scheme section.</p> <p>Exemption for mailing room services may be duplicated by paragraph 15 of the Regulated Activities Order. If so, it may be appropriate to merge both of these into an exemption.</p> <p>CAROL 8 – Updated wording and layout generally, except for the following</p> <ul style="list-style-type: none"> - mailing services now removed - nominee companies – annual audit report may be provided by licenceholder where nominee is not audited 	
Exemption for Officers (Service Companies)	New Exemption	Financial Services (Exemptions) Regulations (Schedule 1, paragraph 2.8)	This exemption replicates one which currently exists for CSPs and clarifies the position where the work of a licenceholder is carried out by the staff of another group company (the service company)	None

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

Exemption for Statutory Corporation and Local Authority	Investment Business Order 2004 – Schedule I Part II Paragraph 7 and 8	Financial Services (Exemptions) Regulations (Schedule I, paragraph 2.9)	CAROL 2 - These exclusions have been changed to exemptions to reflect the fact that some bodies are becoming involved in investments other than “plain vanilla”. The only difference to the definition is that it no longer covers the activities of managing etc. a collective investment scheme. CAROL 8 – these two have been merged together and simplified.	Limited Comments welcome
Exemption in relation to Temporary Business Continuity Operations	Investment Business (Exemption) (Temporary Business Continuity Operations) Regulations 2002	Financial Services (Exemptions) Regulations (Schedule 2)	No change other than change of location, simplified wording, and layout.	None
<i>Collective Investment Schemes</i>				
<i>The following Collective Investment Scheme section has been significantly amended to take account of the conclusions reached by the funds review group. Please review the relevant sections within the Regulated Activities Order and Exemption Regulations carefully.</i>				
Managing etc. Collective	Investment Business	Regulated Activities	The various areas of activity related to	Material

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

Investment Schemes	Order 2004 – Schedule I Part I Paragraph 5	Order (Paragraph 3 of Schedule I)	Collective Investment Schemes has been expanded (and this paragraph now includes the activities of acting as investment manager or investment adviser and promoter to collective investment schemes) in order to differentiate between areas of risk and to clarify the roles of trustee versus custodian and fiduciary custodian.	Comments required
Exemption for Officers (Service Companies)	New Exemption	Financial Services (Exemptions) Regulations (Schedule I, paragraph 3.4)	This exemption replicates one which currently exists for CSPs and clarifies the position where the work of a licenceholder is carried out by the staff of another group company (the service company).	None
<i>Corporate Service Providers</i>				
Acting as a Corporate Service Provider	Corporate Services Providers Act 2000, Schedule I, Part I, Paragraphs 1, 2, 3, 4, 5, 6, 7, 8A, 8B, 8C, 8D, 8E, 8F and 8G.	Regulated Activities Order (Paragraph 4 of Schedule I)	Reduced wording – fewer definitions of regulated activities. Plus inclusion of acting as a registered agent for the NMV under the Companies Act 2006.	None
Exemption for Professional Services	Corporate Services Providers Act 2000, Schedule 2, Part I,	Regulated Activities Order (Exclusion 4 (c) Schedule I)	The exemption has been changed to an exclusion. The wording has changed to broaden the meaning (with paragraphs 2, 3	None

- 12 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

	Paragraphs 1, 1A, 2, 3 and 4.		and 4 being removed). It has been clarified that “holding out” to provide regulated activities is not covered by the exemption. The new wording is also used for other regulated activities.	
Exemption for Domestic Services	Corporate Services Providers Act 2000, Schedule 2, Part 1, Paragraphs 5 and 6.	Financial Services (Exemption) Regulations (Schedule 1, paragraph 4.1)	CAROL 2 - Paragraph 5 of the Schedule 2 is the replicated in 6(1) of the Exemption Regulation. References to licenceholders under the Investment Business Act 1991 and Banking Act 1998; fiduciary licenceholders; authorisations under Building Societies Act 1986 and collective investment schemes have been removed from Paragraph 6(2) leaving only the “Insurance” element. The “insurance” element of paragraph 14 on “incidental” business has also been incorporated into this exemption, with the other parts being deleted as no longer required. CAROL 8 – definition of company no longer exempts building societies and credit unions (see exclusion below).	Limited
Exemption for Domestic Services	Corporate Services Providers Act 2000, Schedule 2, Part 1,	Regulated Activities Order (Exclusion 4 (b) of Schedule 1)	New exclusion for company administration services for open ended investment companies and building societies/credit	Limited

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

	Paragraphs 5 and 6		unions.	
Exemption for Group Transactions	Corporate Services Providers Act 2000, Schedule 2, Part 1, Paragraph 7.	Regulated Activities Order (Exclusion 4 (d) of Schedule 1)	No change other than change of location and simplified wording.	None
Exemption for Joint Enterprises	Corporate Services Providers Act 2000, Schedule 2, Part 1, Paragraph 8.	Regulated Activities Order (Exclusion 4 (e) of Schedule 1)	No real change other than change of location and simplified wording.	None
Exemption for Introducers	Corporate Services Providers Act 2000, Schedule 2, Part 1, Paragraph 9.	Regulated Activities Order (Exclusion 4 (f) of Schedule 1)	No real change other than change of location.	None
Exemption for Nominee Services	Corporate Services Providers Act 2000, Schedule 2, Part 1, Paragraphs 10 and 10A.	Financial Services (Exemption) Regulations (Schedule 1, paragraph 4.2)	CAROL 2 - No real change other than change of location.	None
Exemption for Employment Agencies	Corporate Services Providers Act 2000, Schedule 2, Part 1, Paragraph 11.	Regulated Activities Order (Exclusion 4 (g) of Schedule 1)	No real change other than change of location.	None
Exclusion for Officers	Corporate Services Providers Act 2000, Schedule 2, Part 1,	Regulated Activities Order (Paragraph 30) and	CAROL 2 - Paragraph 12(1)(a) and (b); 12(2) and 12(3) have been removed as it is considered that these are covered by the	None

- 14 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

	Paragraph 12 and Part 1A Paragraph 5.	Financial Services (Exemption) Regulations, Schedule 1, Paragraph 4.3)	De Minimis exemption which is contained in the Exemption Regulations, Paragraph 6(5). Paragraph 12(1)(c) is included in the exclusion (Paragraph 61) is unchanged. The remainder of Paragraph 12(1) is contained in Exemption Regulations, Paragraph 6(4). Paragraph 12(1A) and Paragraph 5(2) and 5(3) of Part 1A have been removed as there are no partnerships currently licensed and it is preferable that the licensing policy should be changed to restrict the licenceholders to sole traders and corporate bodies. CAROL 8 – wording simplified	
Exemption for De Minimis	Corporate Services Providers Act 2000, Schedule 2, Part 1, Paragraph 12(2), 12(3) and 12(4) and Part 1A, Paragraph 15.	Financial Services (Exemption) Regulations, Schedule 1, paragraph 4.4)	CAROL 2 - The CSP and TSP elements have been brought together under one heading of De Minimis for clarity although no real change to the wording. CAROL 8 – wording simplified.	None
Exemption for Activities of Other Regulated Business	Corporate Services Providers Act 2000, Schedule 2, Part 1, Paragraph 14.	Regulated Activities Order (Paragraph 4(i))	Exemption changed to exclusion. Paragraph 14 is the same but the references to licenceholders under the Investment Business Act 1991, Banking Act 1998, and fiduciary licenceholders, and authorisations under Building Societies Act 1986 have been removed leaving only the “Insurance”	None

- 15 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.

Limited means some changes to requirements but these would have a minor impact on licenceholders.

Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

			element, as it is considered that these are no longer required.	
Exemption for Corporate Administration for a Licenceholder	New	Financial Services (Exemption) Regulations (Schedule 1, paragraph 4.6)	CAROL 2 - TSP exemption replicated for CSPs. CAROL 8 - wording simplified.	Limited
Exemption in relation to Temporary Business Continuity Operations	Corporate Service Providers (Exemption) (Temporary Business Continuity Operations) Regulations 2002	Financial Services (Exemptions) Regulations Schedule 2	No change other than change of location.	None
Exemption for liquidators, receivers etc.	New	Financial Services (Exemptions) Regulations Schedule 1, paragraph 4.5	CAROL 8 - New exemption for consistency of approach	Limited
<i>Trust Service Providers</i>				
Acting as a Trust Service Provider	Corporate Services Providers Act 2000, Schedule 1, Part IA, Paragraphs 1, 2, 3, 4 and 5.	Regulated Activities Order (Paragraph 5)	No real change other than change of location.	None

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

Exemption for Professional Services	Corporate Services Providers Act 2000, Schedule 2, Part IA, Paragraphs 1 and 2.	Regulated Activities Order (Exclusion 5 (a) of Schedule 1)	The exemption has been changed to an exclusion. Wording simplified.	None
Exemption for Group Transactions	Corporate Services Providers Act 2000, Schedule 2, Part IA, Paragraph 3.	Regulated Activities Order (Exclusion 5 (b) of Schedule 1)	The exemption has been changed to an exclusion. Wording simplified.	None
Exemption for Joint Enterprises	Corporate Services Providers Act 2000, Schedule 2, Part IA, Paragraph 4.	Regulated Activities Order (Exclusion 5 (c) of Schedule 1)	The exemption has been changed to an exclusion. Wording simplified.	None
Exemption for Employees, Officers, Partners etc	Corporate Services Providers Act 2000, Schedule 2, Part IA, Paragraph 5.	Financial Services (Exemption) Regulations (Schedule 1, paragraph 5.3)	CAROL 2 - With the exception of sub-paragraphs (2) and (3) which relate to partnerships have been deleted as consideration is being given to amending the licensing policy to restrict the use of partnerships for CSPs and TSPs. There are no partnerships currently licenceholders or applicants. CAROL 8 – layout simplified	None
Exemption for Government	Corporate Services Providers Act 2000, Schedule 2, Part IA, Paragraph 7.	Financial Services (Exemption) Regulations (Schedule 1,	No change.	None

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

		paragraph 5.11)		
Exemption for Private Trust Companies	Corporate Services Providers Act 2000, Schedule 2, Part 1A, Paragraph 8.	Financial Services (Exemption) Regulations (Schedule 1, paragraph 5.6)	No real change of wording but layout amended	None
Exemption for Nominee Services	Corporate Services Providers Act 2000, Schedule 2, Part 1A, Paragraph 9.	Financial Services (Exemption) Regulations (Schedule 1, paragraph 5.1)	No real change other than change of location.	None
Exemption for Activities of Other Regulated Businesses	Corporate Services Providers Act 2000, Schedule 2, Part 1A, Paragraph 10.	Regulated Activities Order (Paragraph 5(d))	Exemption changed to exclusion. Paragraph 10 is the same except references to licenceholders under the Investment Business Act 1991, Banking Act 1998, and fiduciary licenceholders, and authorisations under Building Societies Act 1986 have been removed leaving only the “Insurance” element, as it is considered that these are no longer required.	None
Exemption for Personal Representatives	Corporate Services Providers Act 2000, Schedule 2, Part 1A, Paragraph 11.	Financial Services (Exemption) Regulations (Schedule 1,	No real change – wording simplified.	None

- 18 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

		paragraph 5.7)		
Exemption for Testamentary Trusts	Corporate Services Providers Act 2000, Schedule 2, Part 1A, Paragraphs 12, and 13.	Financial Services (Exemption) Regulations (Schedule 1, paragraph 5.9)	Wording simplified.	None
Exemption for Trust Administration for a Licenceholder	Corporate Services Providers Act 2000, Schedule 2, Part 1A, Paragraph 14.	Financial Services (Exemption) Regulations (Schedule 1, paragraph 5.8)	Exemption unchanged – wording simplified	None
Exemption for De Minimis	Corporate Services Providers Act 2000, Schedule 2, Part 1A, Paragraph 15.	Financial Services (Exemption) Regulations (Schedule 1, paragraph 5.4)	Exemption unchanged.	None
Exemption for Small “Domestic” Trusts	Corporate Services Providers Act 2000, Schedule 2, Part 1A, Paragraph 16.	Financial Services (Exemption) Regulations (Schedule 1, paragraph 5.10)	No change of wording.	None
Exemption for liquidators, receivers etc.	New	Financial Services (Exemptions)	CAROL 8 - New exemption for consistency of approach	Limited

- 19 -

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.

		Regulations (Schedule 1, paragraph 5.5)		
Money Services				
<i>The following Money Services section is new and takes account of the consultation on Money Services which has been undertaken separately to the CAROL project. Please review the relevant sections within the Regulated Activities Order and Exemption Regulations carefully.</i>				
Money Services	Not in existing legislation	Regulated Activities Order (Paragraph 6 of Schedule 1)	Area of activity identified by Treasury and comparisons undertaken in relation to UK and other jurisdictions.	Material Any comments welcome
New exclusions	Not in existing legislation	Regulated Activities Order (Exclusions 6 (a) – (k) of Schedule 1)	Some exclusions are included for consistency.	Material Any comments welcome
Management or administration services				
Management or administration services	Separation out of existing licensing requirement	Regulated Activities Order, Schedule 1, Paragraph 7	New class of activity which does not extend to services to Collective Investment Schemes.	Material

Key to Impact:

None refers to the fact that the legislation remains unchanged or wording merely updated i.e. pure consolidation.
Limited means some changes to requirements but these would have a minor impact on licenceholders.
Material means a more significant change which may result in some licenceholders extending their licensable activities or may require companies to be regulated for the first time.