EXPLANATORY MEMORANDUM TO

THE FINANCIAL SERVICES AND MARKETS ACT 2000 (CONSUMER CREDIT) (TRANSITIONAL PROVISIONS) (No. 4) ORDER 2014

2014 No. 2632

1. This explanatory memorandum has been prepared by HM Treasury and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 The instrument makes provision in connection with the transfer of consumer credit regulation from the Office of Fair Trading ("OFT") to the Financial Conduct Authority ("FCA") which is effected by the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013, S.I. 2013/1881 ("the RAAO").

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 The Financial Services and Markets Act 2000 (Consumer Credit) (Transitional Provisions) (No.4) Order 2014 is made under section 426(1) of the Financial Services and Markets Act 2000 ("the Act"). It amends the RAAO.

5. Territorial Extent and Application

5.1 The instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The instrument makes provision in connection with the transfer of consumer credit regulation from the OFT to the FCA, and the regulation of consumer credit under the Act. That transfer took place on 1 April 2014.

7.2 Persons carrying on activity which is regulated by the Act must be authorised or exempt. The RAAO confers an interim permission (i.e. authorisation) on certain persons who held consumer credit licences immediately before 1 April 2014. Interim permission lasts only for a limited period and ends, where an application for full permission is made, when that application is determined. This instrument amends the RAAO to provide that the application is determined on the date in which a decision notice is given.

8. Consultation outcome

8.1 The Government consulted the FCA during the preparation of this instrument.

9. Guidance

9.1 Further guidance will be made available by the FCA.

10. Impact

10.1 No impact on business or the voluntary sector is foreseen.

11. Regulating small business

11.1 No impact on small business is foreseen.

12. Monitoring & review

12.1 HM Treasury will monitor the practical effects of the instrument to ensure the provisions continue to meet the policy aims.

13. Contact

13.1 Laura Hanoman at HM Treasury (tel: 0207 270 5507 or email: laura.hanoman@hmtreasury.gsi.gov.uk) can answer any queries regarding this instrument.