**EXPLANATORY MEMORANDUM TO THE**

**FINANCIAL SERVICES AND MARKETS ACT 2000 (DESIGNATED PROFESSIONAL BODIES) (AMENDMENT) ORDER 2004**

**2004 No. 3352**

**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. Description

2.1 This instrument confers Designated Professional Body (DPB) status on the Council for Licensed Conveyancers (CLC).

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

3.1 The instrument will remove the potential costs of direct regulation by the Financial Services Authority that members of the Council for Licensed Conveyancers (CLC) would be required to bear under the regulatory regime for general insurance that will commence on 14 January 2005.

3.2 The Instrument will come into force on 14 January 2005.

## 4. Legislative Background

4.1 This instrument will amend article 2 of the Financial Services and Markets Act 2000 (Designated Professional Bodies) Order 2001. It will do so under the powers set out in section 326 of the Financial Services and Markets Act 2000

## 5. Extent

5.1 This instrument applies to all of the United Kingdom

## 6. European Convention on Human Rights

The Financial Secretary to the Treasury Stephen Timms MP has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Financial Services and Markets Act 2000 (Designated Professional Bodies) (Amendment) Order 2004 are compatible with the Convention rights

## 7. Policy background

7.1 This instrument confers Designated Professional Body (DPB) status on the CLC. The CLC has requested DPB status in order to allow it to regulate its members in place of the Financial Services Authority for the purposes of selling and administrating contracts of insurance. It is considered to be neutral or even de-regulatory in terms of regulatory burden that it introduces.

7.2 The Treasury has satisfied itself that the CLC meets the basic condition for DPB status in that it has rules applicable to the carrying on by its members of regulated activities which, if the body were to be designated, would be exempt regulated activities. The Treasury is content that the CLC also meets one of the additional conditions set out in section 326, in that it has been recognised for the purposes of an enactment (other than FSMA) and that recognition has not been withdrawn.

## 8. Impact

8.1 No Regulatory Impact Assessment has been prepared as there are no impacts foreseen beyond those identified as part of the Regulatory Impact Assessment on the regulation of mortgages and general insurance, published by HM Treasury 12 December 2001.

8.2 There will be no impact on the public sector.

## 9. Contact

Matt Holmes at HM Treasury (Tel: 0207 270 5780 or e-mail: matt.holmes@hm-treasury.gov.uk) can answer any queries regarding the instrument.