STATUTORY INSTRUMENTS

2025 No. 1205

FINANCIAL SERVICES AND MARKETS

The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2025

Made - - - -	*17th November 2025*
Laid before Parliament	*19th November 2025*
Coming into force in accordance with article 1(2) and (3)	

The Treasury make this Order in exercise of the powers conferred by sections 22(1) and (5) and 428(3) of, and paragraph 25 of Schedule 2 to, the Financial Services and Markets Act 2000(**a**).

Citation, commencement, extent and interpretation

1.—(1) This Order may be cited as the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2025.

(2) This article and article 2(d) come into force on 10th December 2025.

(3) The remaining provisions of this Order come into force on 1st January 2027.

(4) This Order extends to England and Wales, Scotland and Northern Ireland.

(5) In this Order, "Regulated Activities Order" means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(**b**).

Amendment of the Regulated Activities Order relating to the definition of "investment firm"

2. In the Regulated Activities Order, in Part 1 of Schedule 3 (exemptions from the definition of "investment firm")(**c**)—

(a) in paragraph 1(k), for the words from ", considered both individually" to the end, substitute "satisfies either condition in paragraph 1A and paragraph 2 applies";

(b) after paragraph 1, insert—

"1A. The conditions are that—

(a) the activity, considered both individually and on an aggregate basis, is an ancillary activity to P's main business when considered on a group basis as determined in accordance with rules made under paragraph 2A(a), or

(**a**) 2000 c. 8. The heading of section 22 was amended by section 7 of the Financial Services Act 2012 (c. 21) ("the 2012 Act"). Paragraph 25 of Schedule 2 was amended by section 8 of the 2012 Act and section 27 of the Financial Guidance and Claims Act 2018 (c. 10).

(**b**) S.I. 2001/544.

(**c**) Schedule 3 was substituted by S.I. 2018/1403 and amended by S.I. 2023/548. There are other amendments which are not relevant.

(b) the activity, when considered individually, is below an annual threshold as determined in accordance with rules made under paragraph 2A(b).";

(c) in paragraph 2—

(i) in the opening words of sub-paragraph (a), after "P's main business" insert ", when considered on a group basis,";

(ii) in sub-paragraph (a)(i), after "investment services" insert ", unless the activity referred to in paragraph 1(k)(i) or (ii) is below an annual threshold as determined in accordance with rules made under paragraph 2A";

(iii) in sub-paragraph (c), after "P's main business" insert ", when considered on a group basis, or below an annual threshold as determined in accordance with rules made under paragraph 2A";

(d) after paragraph 2, insert—

"2A. The FCA may make rules(**a**) specifying the following for the purposes of determining whether P is excluded from the definition of "investment firm" under paragraph 1(k)—

(a) the criteria for establishing when an activity is ancillary to P's main business on a group basis under paragraph 1A(a), and

(b) the annual threshold referred to in paragraph 1A(b) and the criteria for establishing when an activity is below that threshold.".

Consequential amendment to the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017

3. In regulation 47 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (reports and applications)(**b**), in paragraph (1), for sub-paragraph (b) substitute—

"(b) report to the FCA the basis on which a person considers an activity—

(i) to be ancillary to that person's main business in accordance with the criteria established under paragraph 2A(a) in Part 1 of Schedule 3 to the Regulated Activities Order; or

(ii) to be below the annual threshold specified by the FCA as determined in accordance with the criteria established under paragraph 2A(b) in Part 1 of Schedule 3 to the Regulated Activities Order;".

Consequential amendments relating to the revocation of Commission Delegated Regulation (EU) 2017/592

4.—(1) Article 3 of the Regulated Activities Order is amended as follows.

(2) In paragraph (1)—

(a) in the definition "investment firm"(**c**)—

(i) in paragraph (a), omit the words from "and with Commission Delegated Regulation (EU) 2017/592"(**d**) to the end;

(**a**) See section 417(1) of the Financial Services and Markets Act 2000 for the definitions of "the FCA" and "rule". The definitions of "the FCA" and "rule" were inserted by section 48(1) of the Financial Services Act 2012 (c. 21).

(**b**) S.I. 2017/701, as amended by S.I. 2023/548. There are other amendments which are not relevant.

(**c**) The definition of "investment firm" was substituted by S.I. 2019/632.

(**d**) EUR 2017/592. The regulation is revoked under section 1 of, and Part 3 of Schedule 1 to, the Financial Services and Markets Act 2023 (c. 29).

(ii) in paragraph (b), omit "and with Commission Delegated Regulation (EU) 2017/592";

(b) in the definition "qualifying credit institution"(**a**), in paragraph (d), omit the words "and with Commission Delegated Regulation (EU) 2017/592" to the end.

(3) In paragraph (1A)(**b**)—

(a) in paragraph (a), omit the words from "and with Commission Delegated Regulation (EU) 2017/592" to "business";

(b) in paragraph (b), omit "and with Commission Delegated Regulation (EU) 2017/592".

Christian Wakeford
Gen Kitchen

17th November 2025 — Two of the Lords Commissioners of His Majesty's Treasury

(**a**) The definition of "qualifying credit institution" was inserted by S.I. 2019/632.
(**b**) Paragraph (1A) was inserted by S.I. 2019/632.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544) ("the Regulated Activities Order"). The Regulated Activities Order specifies certain activities and investments which are to be regulated activities for the purposes of section 22(1) of the Financial Services and Markets Act 2000 (c. 8) ("the Act"). Section 19 of the Act prohibits persons from carrying on any regulated activity in the United Kingdom, unless they are either authorised or exempt.

Paragraph 1(k) in Part 1 of Schedule 3 to the Regulated Activities Order excludes persons dealing on their own account or providing investment services in commodity derivatives, emission allowances and derivatives from the definition of "investment firm". Such persons are not required to be authorised, provided the activities are ancillary to their main business and the relevant exclusion criteria are met. This Order amends the exclusion to allow alternative exclusion criteria to apply.

Article 2 provides two options for assessing whether a person dealing on their own account or providing investment services in commodity derivatives, emission allowances and derivatives is excluded from the definition of "investment firm". The first option is whether the activity is ancillary to a person's main business. The second option is whether the activity is below an annual threshold as determined by the Financial Conduct Authority ("the FCA"). Article 2 provides the FCA with a power to make rules to specify the criteria for establishing when an activity is considered to be ancillary to the main business at group level, the annual threshold and the criteria for establishing when an activity is below that threshold.

Article 3 makes a consequential amendment to regulation 47(1)(b) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701). The FCA can direct the manner in which a person reports to the FCA either in relation to activities that are ancillary to the person's main business or in relation to activities that are below the annual threshold.

The amendments made by this Order supersede provision made by the following legislation, which will consequently be revoked under section 1 of the Financial Services and Markets Act 2023 (c. 29) and The Financial Services and Markets Act 2023 (Commencement No. 11 and Saving Provisions) Regulations 2025 (S.I. 2025/1078) on 1st January 2027—

(a) paragraph 19 of Schedule 3 to Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (this provision gives the FCA a power to make technical standards to specify the criteria for establishing when an activity is considered to be ancillary to a person's main business);

(b) Commission Delegated Regulation (EU) 2017/592 of 1 December 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the criteria to establish when an activity is considered to be ancillary to the main business ("the Delegated Regulation"); and

(c) Article 72J(1)(a) and (b) of the Regulated Activities Order and relevant definitions (these provisions enable persons seeking to rely on the ancillary activities exemption to carry on their business without authorisation if there is no data available to enable them to perform the test establishing when an activity is ancillary).

Article 4 makes other consequential amendments to the Regulated Activities Order that are necessary as a result of the revocation of the Delegated Regulation.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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