

Chapter 18

Specialist Regimes

18.6 Lloyd's

Application

18.6.1 **R** This section applies to a *firm* when it carries on *Lloyd's market activities*.

COBS rules that apply to Lloyd's market activities

18.6.2 **R** Only **■** COBS 3 (Client categorisation) and the *financial promotion rules* apply when a *firm* is carrying out *Lloyd's market activities*.

18.6.3 **G** *Firms* are reminded that *syndicate business plans* may be used in ways that bring them within the definition of a *financial promotion*.

Definitions and modifications

18.6.4 **R** When a *firm* is carrying on *Lloyd's market activities*, any reference in *COBS* to the term:

- (1) *designated investment* is to be taken to include the following specified investments:
 - (a) the *underwriting capacity of a Lloyd's syndicate*;
 - (b) *membership of a Lloyd's syndicate*; and
 - (c) *rights to or interests in the specified investments* in (a) or (b);
- (2) *designated investment business* is to be taken to include the following *regulated activities*:
 - (a) *advising on syndicate participation at Lloyd's*;
 - (b) *managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's*; and
 - (c) *agreeing to carry on the regulated activities* in (a) or (b).

The Principles and Lloyd's market activities

18.6.5 **G** Whilst *COBS* has limited application to *Lloyd's market activities*, *firms* conducting *Lloyd's market activities* are reminded that they are required to comply with the *Principles*.