

Chapter 18

Specialist Regimes

		<div>18.6A</div> <div>Insurance Special Purpose Vehicles (ISPVs)</div>
		<div>Application</div>
18.6A.1	R	This section applies to <i>UK ISPVs</i> .
		<div>COBS rules that apply to insurance risk transformation and activities directly arising from insurance risk transformation</div>
18.6A.2	R	■ COBS 3 applies (subject to ■ COBS 18.6A.3R) when a <i>firm</i> is carrying on <i>insurance risk transformation</i> and/or activities directly arising from <i>insurance risk transformation</i> .
		<div>Definitions and modifications</div>
18.6A.3	R	When a <i>firm</i> is carrying on <i>insurance risk transformation</i> and/or activities directly arising from <i>insurance risk transformation</i> : <div><div>(1) The general definition of <i>client</i> in ■ COBS 3.2.1R is modified as set out in ■ COBS 18.6A.3R(2) below.</div><div>(2) Any reference to the term <i>client</i> is to be taken to include:<div><div>(a) a <i>person</i> to whom the <i>firm</i> provides, intends to provide or has provided a service in the course of carrying on activities directly arising from <i>insurance risk transformation</i> (including the offer of <i>investments</i> issued by the <i>firm</i>); or</div><div>(b) (in <i>DISP</i> only) a <i>person</i> who is holding or has held an <i>investment</i> issued by the <i>firm</i>.</div></div></div><div>(3) ■ COBS 3.6.1R(2) does not apply. A client can be an <i>eligible counterparty</i> in relation to <i>insurance risk transformation</i> and activities directly arising from <i>insurance risk transformation</i>.</div></div>
18.6A.4	G	For the avoidance of doubt, the remainder of ■ COBS 3.2 and ■ COBS 3.6 applies.
		<div>Communications with clients</div>
18.6A.5	R	Before an <i>investment</i> issued by an <i>ISPV</i> is sold to a <i>client</i> (that is not an <i>eligible counterparty</i>), the <i>ISPV</i> must ensure that the <i>client</i> is informed that compensation will not be available from the <i>FSCS</i> if the <i>ISPV</i> cannot meet its liabilities.

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- 18.6A.6** **R** A statement that compensation will not be available from the *FSCS* must be included in any brochure or other written communication by which an *ISPV* offers *investments* to *clients*.
- 18.6A.7** **G** For the avoidance of doubt, **■ COBS 18.6A.5R** and **■ COBS 18.6A.6R** do not exhaust or restrict the scope of *Principle 7*.