

Chapter 2

Authorisation and regulated activities

2.4A Link between regulated claims management activities and Great Britain

- 2.4A.1

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Under section 22(1B) of the *Act*, a claims management activity specified in the *Regulated Activities Order* is only a *regulated activity* if it is carried on by way of business in *Great Britain*.
- 2.4A.2

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(1) Article 89F(3) of the *Regulated Activities Order* provides that a *person* is to be treated as carrying on a *regulated claims management activity* when either or both of the conditions in (2) and (3) are met.

(2) The condition in this paragraph is that the activity is carried on by a *person* who is:

a) a natural person who is ordinarily resident in *Great Britain*; or

b) a *person*, other than a natural person, who is constituted under the law of a part of *Great Britain*.

(3) The condition in this paragraph is that the activity is carried on in respect of a *claimant* or potential *claimant* who is:

a) a natural person who is ordinarily resident in *Great Britain*; or

b) a *person*, other than a natural person, who is constituted under the law of a part of *Great Britain*.

2.4A.3

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Ordinary residence is to be determined for these purposes by reference to the Statutory Residence Test set out in Schedule 45 to the Finance Act 2013:

at the time of the facts giving rise to the *claim* or potential *claim*; or

at the time when the activity is carried out in respect of that *claimant* or potential *claimant*.

2.4A.4

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Accordingly, the following list gives examples of activity which would be *regulated claims management activity* if carried on by way of business and where no exemption or exclusion applies:

(1) a sole trader in England and Wales advising a natural person who is ordinarily resident in Northern Ireland in relation to a financial services or financial product *claim*;

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■ Release 35 ● Apr 2024

- (2) a company incorporated in Northern Ireland advising a natural person who is ordinarily resident in Scotland in relation to a *personal injury claim*;
- (3) a company incorporated in France advising a natural person who is ordinarily resident in England in relation to a financial services or financial product *claim*;
- (4) a company incorporated in Scotland investigating a *personal injury claim* for a natural person who is ordinarily resident in Germany; and
- (5) a company incorporated in India seeking out details of claimants with *personal injury claims* who are ordinarily resident in Great Britain.