

## Chapter 8

# Financial promotion and related activities

## 8.25 Advice must relate to an investment which is a security or contractually based investment

**8.25.1** **G** For the purposes of article 53(1) of the *Regulated Activities Order*, a security or relevant investment is any one of the following:

- (1) shares;
- (2) debentures;
- (2A) alternative debentures;
- (3) government and public securities;
- (4) warrants;
- (5) certificates representing certain securities;
- (6) units in collective investment schemes;
- (7) stakeholder pension schemes or personal pension schemes;
- (7A) emission allowances;
- (8) options;
- (9) futures;
- (10) contracts for differences;
- (11) contracts of insurance;
- (12) funeral plan contracts;
- (13) rights to or interests in such investments.

**8.25.2** **G** Article 53(1) does not apply to advice given on any of the following:

- (1) deposit or other bank or building society accounts (but note the exceptions and points in ■ PERG 8.25.3G);
- (2) interests under the trusts of an occupational pension scheme (but rights under an occupational pension scheme that is a stakeholder pension scheme will be securities);

- (3) mortgages or other loans (but note that advising on *regulated mortgage contracts* is a separate *regulated activity* under article 53A of the *Regulated Activities Order* – see the *guidance* in ■ PERG 4 (Regulated activities connected with mortgages));
- (4) National Savings products;
- (5) foreign exchange (or cash);
- (6) commodities (for example, gold);
- (7) real estate;
- (8) any other physical property capable of having investment potential (for example, works of art, racehorses) unless investment is made through a *collective investment scheme*.

### 8.25.3

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- (1) There are some circumstances in which giving advice about a *deposit* is a *regulated activity*.
- (2) *Providing basic advice on a stakeholder product* is a separate *regulated activity* under article 52A of the *Regulated Activities Order*. A *stakeholder product* includes a stakeholder deposit account. See the *guidance* in ■ PERG 2.7.14AG (Providing basic advice on stakeholder products) for more about this.
- (3) Article 53(1) does apply to advice on *structured deposits*.