The Treasury make the following Regulations in exercise of the powers conferred on them by sections 117, 417(1)(a), 424(3) and 428(3) of the Financial Services and Markets Act 2000:

Citation and commencement

1. These Regulations may be cited as the Financial Services and Markets Act 2000 (Motor Insurance) Regulations 2007 and come into force on 5th September 2007.

Amendment of the Financial Services and Markets Act 2000

2.—(1) The Financial Services and Markets Act 2000 is amended as follows.

(2) At the end of paragraph 6 of Schedule 12 (transfer schemes: interpretation), add—

“(4) If the insurance relates to a vehicle dispatched from one EEA State to another, in respect of the period of 30 days beginning with the day on which the purchaser accepts delivery a reference to the EEA State in which a risk is situated is a reference to the State of destination (and not, as provided by sub-paragraph (3)(b), to the State of registration).”.

Amendment of the Financial Services and Markets Act 2000 (Law Applicable to Contracts of Insurance) Regulations 2001

3.—(1) The Financial Services and Markets Act 2000 (Law Applicable to Contracts of Insurance) Regulations 2001 are amended as follows.

(2) After paragraph (2) of regulation 2 (interpretation), insert—

“(2A) If the contract of insurance relates to a vehicle dispatched from one EEA State to another, in respect of the period of 30 days beginning with the day on which the purchaser accepts delivery a reference to the EEA State in which a risk is situated is a reference to the State of destination (and not, as provided by paragraph (2)(b), to the State of registration).”.

(a) See the definition of “prescribed”.
(b) 2000 c. 8.
(c) S.I. 2001/2635.
EXPLANATORY NOTE
(This note is not part of the Regulations)

These Regulations amend the Financial Services and Markets Act 2000 (c. 8) (the “Act”) and the Financial Services and Markets Act 2000 (Law Applicable to Contracts of Insurance) Regulations 2001 (SI 2001/2635) (the “2001 Regulations”) to change the meaning of “EEA State in which a risk is situated” in certain circumstances in the context of vehicle insurance.


Regulation 2 inserts a new sub-paragraph into paragraph 6 of Schedule 12 to the Act to provide for circumstances in which, for the purposes of insurance business transfer schemes where the insurance relates to a vehicle of any type, a reference to the EEA State in which a risk is situated is a reference to the EEA State of destination of the vehicle on, and for a period following, acceptance of delivery by the purchaser.

Regulation 3 inserts a new paragraph into regulation 2 of the 2001 Regulations which specify the law that applies to contracts of insurance, the effecting or carrying out of which constitutes a regulated activity within the meaning of the Act. The paragraph inserted provides for circumstances in which where the risk is covered by a contract of insurance and the insurance relates to a vehicle of any type, a reference to the EEA State in which a risk is situated is a reference to the EEA State of destination of the vehicle on, and for a period following, acceptance of delivery by the purchaser.

As these Regulations implement, in part, the Third Motor Insurance Directive, as amended by the Fifth Motor Insurance Directive, the Transposition Note setting out how the Government transposed into UK law the main elements of the Fifth Motor Insurance Directive has been amended to reflect this further element of transposition. The amended Transposition Note is available in both Houses of Parliament. Copies are also available from the following address/website:

http://www.hm-treasury.gov.uk/consultations_and_legislation/implementing_fifth_motorinsurance_directive/consult_fifth_motorinsurance_directive.cfm

A full regulatory impact assessment of the effect that this instrument will have on the costs of business is annexed to the Explanatory Memorandum which is available alongside this Order on the OPSI website.