

**INTERIM PRUDENTIAL SOURCEBOOK FOR INVESTMENT BUSINESSES
(AMENDMENT No 11) INSTRUMENT 2005**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power); and
 - (2) section 156 (General supplementary powers).
- B. The rule-making power listed above is specified for the purposes of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 20 May 2005.

Amendments to the Interim Prudential sourcebook for Investment Businesses

- D. The Interim Prudential sourcebook for Investment Businesses (IPRU(INV)) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Interim Prudential Sourcebook for Investment Businesses (Amendment No 11) Instrument 2005.

By order of the Board
19 May 2005

Annex

Amendments to the Interim Prudential sourcebook for Investment Businesses

In this Annex, underlining indicates new text and striking through indicates deleted text.

Exemption From Holding Professional Indemnity Insurance

- 13.1.5 R (1) A *firm* is not required to effect or maintain professional indemnity insurance if: ~~(a) it is a member of the same group as a bank, building society, insurer or a firm which is a friendly society provides the firm with a comparable guarantee;~~ and
- (2~~b~~) If the *firm* is a member of a group in which there is a bank, building society, insurer or a firm which is a friendly society, the firm's comparable guarantee must be from that bank, building society, insurer or friendly society.
- (3) ~~there exists between the *firm* and an entity specified in (a) above~~ A comparable guarantee means an enforceable, written agreement to on terms at least equal provide equivalent cover to thoseat required for professional indemnity insurance in by IPRU(INV) 13.1.4(2)R.

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