Draft Order laid before Parliament under section 15 (7) of the Compensation Act 2006, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2006 No. [ ]

CONSUMER PROTECTION, ENGLAND AND WALES

The Compensation (Exemptions) Order 2006

Made - - - - *... ... ...*

Coming into force in accordance with article 2

This Order is made in exercise of the powers conferred by section 6 of the Compensation Act 2006(**1**).

A draft of this Order has been laid before Parliament in accordance with section 15(7) of that Act and approved by a resolution of each House of Parliament.

Accordingly, the Secretary of State makes the following Order:

Citation

1. This Order may be cited as the Compensation (Exemptions) Order 2006.

Commencement

2. This Order comes into force on the day after the day on which it is made.

Definition—"the Act"

3. In this Order, "the Act" means the Compensation Act 2006.

Legal practitioners

4.—(1) Section 4(1) of the Act does not prevent the provision of a regulated claims management service in the circumstances that—

(a) the service is provided—

(i) by a legal practitioner;

(**1**) 2006 c. 29.

(ii) by a firm, organisation or body corporate that provides the service through a legal practitioner; or

(iii) by an individual who provides the service at the direction, and under the supervision, of a legal practitioner who is—

(aa) his employer or fellow employee; or

(bb) a director of a company, or a member of a limited liability partnership, that provides the service and is his employer; and

(b) the legal practitioner acts in the normal course of practice in a way permitted by the professional rules to which he is subject.

(2) In paragraph (1), "legal practitioner" means—

(a) a solicitor, barrister or advocate of any part of the United Kingdom;

(b) a Fellow of the Institute of Legal Executives;

(c) a European lawyer, as defined in the European Communities (Services of Lawyers) Order 1978(**2**);

(d) a registered foreign lawyer, as defined in section 89(9) of the Courts and Legal Services Act 1990(**3**); or

(e) any other member of a legal profession, of a jurisdiction other than England and Wales, that is recognised by the Law Society or the General Council of the Bar as a regulated legal profession.

Persons providing services regulated under the Financial Services and Markets Act 2000

5.—(1) Section 4(1) of the Act does not prevent the provision of a regulated claims management service by a person if in providing that service, he is carrying on a regulated activity for the purposes of section 19 of the Financial Services and Markets Act 2000(**4**) ("FSMA"), or would be doing so except that—

(a) he is an exempt person (that is, a person who is exempt from the general prohibition under FSMA), or

(b) he has the benefit of an exclusion under the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(**5**).

(2) In paragraph (1)(a),"general prohibition" has the meaning given by FSMA.

(3) References in paragraph (1) to a regulated activity carried on by a person must be read with—

(a) section 22 of FSMA;

(b) any relevant order under that section; and

(c) Schedule 2 to FSMA.

Charities and not-for-profit advice agencies

6.—(1) Section 4(1) of the Act does not prevent the provision of a regulated claims management service by a not for profit body, that is, a body that, by or under its constitution—

(a) is required to apply the whole of its net income, and any expendable capital, after payment of outgoings for charitable or public purposes; and

(**2**) S.I. 1978/1910, as amended by the European Communities (Services of Lawyers) (Amendment) Order 2004 (SI 2004/1117).
(**3**) 1990 c. 41.
(**4**) 2000 c. 8.
(**5**) S. I. 2001/544.