STATUTORY INSTRUMENTS

2025 No. 1349

FINANCIAL SERVICES AND MARKETS

The Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025

Made - - - - 15th December 2025

Coming into force in accordance with article 2

The Treasury make this Order in exercise of the powers conferred by sections 22(1) and (5) and 428(3) of, and paragraph 25 of Schedule 2 to, the Financial Services and Markets Act 2000(**1**) ("the Act").

In the opinion of the Treasury, one of the effects of this Order is that an activity which is not a regulated activity (within the meaning given in section 22 of the Act(**2**)) will become a regulated activity.

In accordance with, paragraph 26(1) and (2) of Schedule 2 to the Act(**3**), a draft of this Order has been laid before, and approved by a resolution of, each House of Parliament.

Part 1

Introduction

Citation and extent

1.—(1) This Order may be cited as the Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025.

(2) This Order extends to England and Wales, Scotland and Northern Ireland.

(**1**) 2000 c. 8. Paragraph 25 of Schedule 2 was amended by section 8 of the Financial Services Act 2012 (c. 21) and section 27 of the Financial Guidance and Claims Act 2018 (c. 10). Section 428(3) was amended by section 66 of the Financial Services and Markets Act 2023 (c. 29).

(**2**) Section 22 was amended by section 7 of the Financial Services Act 2012 (c. 21), section 27 of the Financial Guidance and Claims Act 2018 (c. 10), section 69 of the Financial Services and Markets Act 2023 (c. 29), and S.I. 2018/135.

(**3**) Paragraph 26 of Schedule 2 was substituted by section 8 the Financial Services Act 2012 and amended by section 27 of the Financial Guidance and Claims Act 2018.

Commencement

2.—(1) This Part comes into force on the day after the day on which it is made ("the initial commencement day").

(2) The remaining provisions of this Order come into force on the initial commencement day for the following purposes only—

(a) enabling the FCA(**4**)—

(i) to make or approve rules,

(ii) to give guidance, and

(iii) to impose requirements or give directions;

(b) enabling an application for—

(i) a Part 4A(**5**) permission under section 55A (application for permission) of the Act,

(ii) a variation of a Part 4A permission under section 55H (variation by FCA at request of authorised person) of the Act, and

(iii) approval under Part 5 (performance of regulated activities) of the Act(**6**),

to be made and determined in relation to any activity which becomes a regulated activity by virtue of this Order;

(c) enabling the FCA to exercise any of its powers under Part 4A of the Act in relation to any activity which is to become a regulated activity by virtue of this Order;

(d) enabling the scheme operator(**7**) to—

(i) make rules, and

(ii) give guidance.

(3) The provisions mentioned in paragraph (2) come into force for all other purposes on 29th June 2028.

Interpretation

3. In this Order—

"the Act" means the Financial Services and Markets Act 2000;

"the main commencement day" means 29th June 2028;

"the Regulated Activities Order" means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(**8**).

(**4**) "The FCA" means the Financial Conduct Authority, as defined in section 417 of the Financial Services and Markets Act 2000.
(**5**) Part 4A (including sections 55A and 55H) was inserted by section 11 of the Financial Services Act 2012 and amended by Schedule 5 to the Financial Services and Markets Act 2023, S.I. 2013/1773 and S.I. 2018/135; there are other amending instruments but none is relevant.
(**6**) Part 5 was amended by section 14 of the Financial Services Act 2012. There are other amending instruments but none is relevant.
(**7**) "Scheme operator" has the meaning given in section 225(2) of the Financial Services and Markets Act 2000.
(**8**) S.I. 2001/544.

Part 2

Amendment of the Regulated Activities Order

Amendment of the Regulated Activities Order

4. The Regulated Activities Order is amended in accordance with articles 5 to 7.

Definition of "overseas person"

5. In article 3(1) (interpretation)(**9**), in the definition of "overseas person", in paragraph (a)—

(a) for "63F and" substitute "63F,";

(b) after "63J", insert "and 63U".

ESG ratings

6. After article 63T (administration of a benchmark by the FCA)(**10**), insert—

"CHAPTER 15F

ESG RATINGS

The activity

ESG ratings

63U.—(1) Unless paragraph (2) applies, providing an ESG rating is a specified kind of activity, where that rating is likely to influence a decision to make an investment specified in Part 3.

(2) This paragraph applies where the person providing an ESG rating could not reasonably have expected it to influence a decision to make an investment specified in Part 3.

(3) For the purposes of paragraph (1), it is immaterial whether the ESG rating is solicited or unsolicited.

(4) In paragraphs (1) and (2), "make", in relation to an investment specified in Part 3, has the meaning given in article 63Z7.

Exclusions

Regulated products and services

63V.—(1) A person does not carry on an activity of the kind specified by article 63U by providing an ESG rating in the course of carrying on—

(a) another activity which is carried on in accordance with a Part 4A permission and is—

(i) a regulated activity, or

(ii) an ancillary service listed in Part 3A of Schedule 2;

(**9**) The definition of "overseas person" was amended by S.I. 2003/1475, S.I. 2003/1476, S.I. 2006/2383, S.I. 2006/3384, S.I. 2009/1342, S.I. 2013/1773 and S.I. 2017/488.
(**10**) Article 63T was inserted by S.I. 2018/1535.

(b) an activity for which they are subject to approval by the FCA under a provision of assimilated law(**11**) or legislation restated by virtue of section 4 (power to restate and modify saved legislation) of the Financial Services and Markets Act 2023;

(c) an activity that is within the scope of a market access arrangement;

(d) an activity in relation to—

(i) a scheme recognised for the purposes of Part 17 of the Act, or

(ii) an AIF which is marketed under regulation 58 (marketing of AIFs managed by small third country AIFMs) or 59 (marketing of AIFs managed by other third country AIFMs) of the Alternative Investment Fund Managers Regulations 2013(**12**).

(2) For the purposes of paragraph (1), an ESG rating is not provided in the course of carrying on an activity under any of sub-paragraphs (a) to (d) where it is provided as a standalone product or service.

(3) In this article—

"approval by the FCA" includes authorisation, registration, and any other functionally equivalent process of approval however expressed;

"market access arrangement" means—

(a) the provision of a credit rating by a credit rating agency which is certified by the FCA under Article 5 (equivalence and certification based on equivalence) of the UK CRAR(**13**);

(b) an arrangement under which a person provides a benchmark to supervised entities for the purposes of the UK Benchmarks Regulation(**14**), which is—

(i) in reliance on—

(aa) Article 30 (equivalence),

(bb) Article 32 (recognition of an administrator located in a third country), or

(cc) Article 33 (endorsement of benchmarks provided in a third country), and

(ii) in respect of which the person is included on the FCA's register of administrators and benchmarks under Article 36(1) (b), (c) or (d) (register of administrators and benchmarks),

of that Regulation;

(c) an arrangement under which a person provides a benchmark to supervised entities under Article 51(5) (transitional provisions) of the UK Benchmarks Regulation(**15**);

(d) an activity which is carried on—

(i) by an overseas person and which is subject to an exclusion in article 72 (overseas persons), other than an activity of the kind specified by article 63U;

(**11**) "Assimilated law" has the meaning given in section 5 of the Retained EU Law (Revocation and Reform) Act 2023 (c. 28).

(**12**) S.I. 2013/1773. Regulation 58 was amended by paragraph 11 of Schedule 9 to the Financial Services and Markets Act 2021 (c. 22). Regulation 59 was amended by paragraph 12 of Schedule 9 to the 2021 Act and S.I. 2019/328 and S.I. 2025/82.

(**13**) Article 5(1) was amended by S.I. 2019/266 and S.I. 2025/82.

(**14**) EUR 2016/1011.

(**15**) Article 51(5) was substituted by S.I. 2019/657 and amended by S.I. 2023/1409.

(ii) by a registered Swiss supplier in the circumstances described in article 72ZA(1) (Swiss mutual recognition firms)(**16**).

Unregulated benchmarks

63W.—(1) A person does not carry on the activity of the kind specified by article 63U where they provide an ESG rating in the course of providing a benchmark to which the UK Benchmarks Regulation does not apply as a result of Article 2(2)(a) to (g) (scope: exclusions)(**17**) of that Regulation.

(2) For the purposes of paragraph (1), an ESG rating is not provided in the course of providing a benchmark of the kind mentioned in paragraph (1) where the ESG rating is provided as a standalone product or service.

Unregulated credit ratings

63X.—(1) A person does not carry on an activity of the kind specified by article 63U by providing an ESG rating which is used to produce, or is incorporated in—

(a) a credit rating,

(b) a credit score, or

(c) a credit scoring system or similar assessment related to obligations arising from a consumer, commercial or industrial relationship, and

which is excluded from the UK CRAR by Article 2(2) of that Regulation.

(2) For the purposes of paragraph (1)—

(a) "credit rating" and "credit score" have the meaning given in Article 3(1) of the UK CRAR;

(b) an ESG rating is not provided to produce, or as incorporated in, any of the matters described at paragraph (1)(a) to (c) where the ESG rating is provided as a standalone product or service.

Intra-group ratings

63Y. A person ("P") does not carry on an activity of the kind specified by article 63U by providing an ESG rating where P is a member of the same group as the person to whom the ESG rating is provided ("Q"), and—

(a) P does not reasonably expect the ESG rating to be made available to another person outside that group, or

(b) P reasonably expects that Q will only make the ESG rating available outside of that group as part of carrying on an activity mentioned in sub-paragraphs (a) to (d) of article 63V(1).

Private use

63Z. A person ("P") does not carry on an activity of the kind specified by article 63U by providing an ESG rating which—

(a) is provided pursuant to a contract with another person ("Q"),

(b) relates solely to Q, and

(**16**) Article 72ZA was inserted by S.I. 2025/XXXX – the Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 – laid in draft and not yet made.
(**17**) Point (c) of Article 2(2) was amended by S.I. 2019/657 and S.I. 2025/82, and points (d) and (g) were amended by S.I. 2019/657.

(c) P does not reasonably expect to be made available to another person outside Q's group.

Ancillary non-commercial provision

63Z1.—(1) A person does not carry on an activity of the kind specified by article 63U by providing an ESG rating where the following conditions are met—

(a) the ESG rating is provided in the course of the person's activities as a journalist, an academic, or a charity, and

(b) either of the following applies—

(i) the person does not receive relevant remuneration from a person who uses or is the subject of the ESG rating in connection with the provision of the ESG rating, or

(ii) the ESG rating is provided on an occasional or one-off basis.

(2) The condition in paragraph (1)(b)(ii) is not met where the ESG rating is regularly updated or maintained in a way that would enable it to be relied upon on an ongoing basis.

(3) In this article, "relevant remuneration" means any commission, fee, charge or other payment, including an economic benefit of any kind or any other financial advantage or incentive offered.

Public authorities, central banks and international organisations

63Z2.—(1) The provision of an ESG rating by a public authority, a central bank or an international organisation is excluded from article 63U.

(2) In this article—

"central bank" means the Bank of England, the European Central Bank and the central banks of any country or territory outside the United Kingdom;

"international organisation" means any body the members of which comprise—

(a) states including the United Kingdom, or

(b) bodies whose members comprise states including the United Kingdom,

where "state" includes the public authority of a state;

"public authority" means a person or body exercising functions of a public nature.

Accreditation or certification

63Z3. A person does not carry on an activity of the kind specified by article 63U by providing an ESG rating where the ESG rating is developed exclusively for accreditation or certification processes, and the purpose of that accreditation or certification is not to influence a decision to make an investment specified in Part 3.

Regulatory or legal requirement

63Z4.—(1) A person ("P") does not carry on an activity of the kind specified by article 63U where an ESG rating is provided solely for the purpose of complying with any regulatory or legal requirement to which P is subject.

(2) In this article, "regulatory or other legal requirement" means a requirement imposed by an Act, or any other enactment, including rules made by a regulator under such enactment.

(3) In paragraph (2), "enactment" has the meaning given in section 3T of the Act(**18**).

Proxy advice

63Z5. A person does not carry on an activity of the kind specified by article 63U by providing an ESG rating as part of the provision of proxy advisor services within the meaning given in regulation 2 of the Proxy Advisors (Shareholders' Rights) Regulations 2019(**19**).

Other exclusion

63Z6. Article 63U is also subject to the exclusion in article 72 (overseas persons).

Supplemental

Interpretation

63Z7. In this Chapter—

"benchmark" has the meaning given in Article 3(1)(3) (definitions) of the UK Benchmarks Regulation;

"charity" means—

(a) in England and Wales, a charity registered under section 30(1) of the Charities Act 2011(**20**);

(b) in Scotland, a charity registered under section 3 of the Charities and Trustee Investment (Scotland) Act 2005(**21**);

(c) in Northern Ireland, a charity registered under section 16(2) of the Charities Act (Northern Ireland) 2008(**22**);

"ESG factor" means an environmental, social or governance factor;

"ESG rating" means an assessment regarding one or more ESG factors, which—

(a) is produced in the form of an opinion, a score or a combination of both, where—

  (i) "score" means a measure derived from data and a pre-established statistical or algorithmic system or model, without additional substantial analytical input from an analyst, and

  (ii) "opinion" means an assessment involving substantial analytical input from an analyst, and

(b) is prepared using an established methodology and a defined ranking system of rating categories,

whether or not it is characterised as an ESG rating;

"located in the United Kingdom" means—

(a) in relation to a legal person—

  (i) the person's registered office is in the United Kingdom, or, if the person does not have a registered office, the person's head office is in the United Kingdom, or

(**18**) Section 3T was inserted by paragraph 32 of Schedule 2 to the Bank of England and Financial Services Act 2016 (c. 14).
(**19**) S.I. 2019/926. Regulation 2 was amended by S.I. 2020/628.
(**20**) 2011 c. 25.
(**21**) 2005 asp 10. There are amendments to section 3 which are not relevant to this instrument.
(**22**) 2008 c. 12 (N.I.).

(ii) the person's registered office is outside of the United Kingdom (or, if the person does not have a registered office, the person's head office is outside of the United Kingdom) but it is providing or receiving the ESG rating (as the case may be) through an establishment maintained by it in the United Kingdom, and

(b) in relation to a natural person, means a person who is able to satisfy the requirements of the statutory residence test as set out in Schedule 45 to the Finance Act 2013(**23**) at the time that the ESG rating is made available to them;

"make", in relation to an investment specified in Part 3, includes, but is not limited to—

(a) buying, selling, subscribing for, exchanging, redeeming, holding or underwriting the investment, or

(b) exercising or not exercising any right conferred by such an investment to buy, sell, subscribe for, exchange or redeem such an investment;

"making available", in relation to an ESG rating, includes, but is not limited to, issuing the rating to another person in hard-copy or electronic form or publishing on a website or other digital medium, and references to the rating having been made available are to be construed accordingly;

"providing", in relation to an ESG rating, means producing it and making it available, and a person ("P")—

(a) does not provide an ESG rating unless they both produce it and make it available, and

(b) is to be regarded as providing an ESG rating to a person located in the United Kingdom ("R") where P—

(i) is not located in the United Kingdom, and

(ii) produces and makes available an ESG rating to a person other than R in circumstances where P could reasonably expect the rating to be made available to R;

"provision of a benchmark" has the meaning given in Article 3(1)(5) of the UK Benchmarks Regulation and "provide a benchmark" is to be construed accordingly;

"rating category" includes, but is not limited to, a variable or division within a system, such as a letter, number, symbol, colour or temperature, that provides a relative measure to distinguish one or more characteristics of various rated items;

"supervised entity" has the meaning given in Article (3)(1)(17) of the UK Benchmarks Regulation;

"the UK Benchmarks Regulation" means Regulation EU 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as it forms part of assimilated law;

"the UK CRAR" means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies(**24**).".

(**23**) 2013 c. 29.
(**24**) EUR 2009/1060.

Overseas persons

7. In article 72, after paragraph (5F), insert—

"(5G) An overseas person ("P") does not carry on the activity specified by article 63U by providing an ESG rating to a person who is located in the United Kingdom ("Q") where P receives no remuneration in respect of the ESG rating from any person.

(5H) In paragraph (5G)—

(a) "ESG rating" and "located in the United Kingdom" have the meanings given in article 63Z7;

(b) the reference to P making the rating available is to be interpreted in accordance with the definition of "making available" in article 63Z7;

(c) "remuneration" means any commission, fee, charge or other payment, including an economic benefit of any kind or any other financial or non-financial advantage or incentive offered or given.".

Part 3

Savings and transitional provisions

Chapter 1

Interpretation and relevant application period

Interpretation

8. In this Part—

"ESG ratings permission" means, in relation to the activity specified by article 63U of the Regulated Activities Order (ESG ratings)(**25**)—

(a) a Part 4A permission to carry on that activity, or

(b) the variation of an existing Part 4A permission so as to include the carrying on of that activity;

"pre-existing", in relation to a contract or a public ESG rating, means a contract entered into or a public ESG rating made available before—

(a) the date specified by the FCA, in accordance with article 11(4)(a), where the FCA gives a direction under article 11(3), or

(b) where no direction mentioned in paragraph (a) is given, the later of—

(i) the date of—

(aa) the refusal by the FCA, or

(bb) the withdrawal by the person concerned,

of an application for an ESG ratings permission, or

(ii) the main commencement day;

"relevant application period" means the period specified by the FCA in accordance with article 9;

"relevant period applicant" means a person who makes an application for an ESG ratings permission during the relevant application period.

(**25**) Article 63U is inserted by article 2 of this Order.

Relevant application period

9.—(1) Not later than one year before the main commencement day, the FCA may, by giving a direction, specify a "relevant application period" for the purposes of this Chapter.

(2) In any direction given under paragraph (1), the relevant application period must—

(a) last for at least 28 days, and

(b) end at least 28 days before the main commencement day.

(3) The power in paragraph (1) includes the power to—

(a) give different directions, including a different relevant application period, in relation to different persons or categories of person;

(b) amend, revoke or substitute any direction made under that paragraph.

(4) Directions given under paragraph (1) must be published in such form as the FCA considers appropriate.

(5) The specification of an application period under paragraph (1) does not prevent the making of applications for an ESG ratings permission outside that period.

Chapter 2

ESG ratings savings and transitional provisions

Saving provision for applications not yet determined

10.—(1) This article applies to a person where all of the following conditions are satisfied—

(a) the person is a relevant period applicant;

(b) their application has not been determined;

(c) the FCA has not given a direction under article 11(3) in respect of them.

(2) A person to whom this article applies will be treated as if Part 2 of this Order has not been commenced.

Application of the ESG ratings transitional provision

11.—(1) Article 12 applies to a person ("P") where—

(a) P makes an application to the FCA for an ESG ratings permission—

(i) before the main commencement day, and

(ii) outside of a relevant application period, and

(b) P's application has not been granted.

(2) Article 12 applies to a relevant period applicant whose application is—

(a) refused by the FCA, or

(b) withdrawn.

(3) Subject to paragraph (5), where the FCA has yet to determine an application made by a relevant period applicant, the FCA may direct that article 12 applies to that applicant.

(4) If the FCA decides to exercise a power in paragraph (3) it must—

(a) specify the date on which the direction is to come into effect;

(b) give a decision notice to the person to whom the decision relates.

(5) The FCA may only exercise the powers in paragraph (3) if it considers that the exercise of the power is necessary in order to advance one or more of its operational objectives set out in section 1B(3) of the Act.

(6) A person in respect of whom the power in paragraph (3) is exercised may refer the decision to exercise the power to the Tribunal.

Exemption from the Act

12.—(1) Subject to paragraph (2), a person to whom this article applies is to be treated as an exempt person(**26**).

(2) If a person to whom this article applies is already an authorised person, they are to be treated as exempt from the application of section 20 (authorised persons acting without permission) of the Act(**27**).

(3) An exemption under this article has effect only in respect of regulated activities as set out in article 13.

Regulated activities in respect of which article 12 applies

13.—(1) A regulated activity in respect of which the exemption in article 12 has effect is one that is—

(a) specified by article 63U (ESG ratings) of the Regulated Activities Order,

(b) necessary for the purpose of a pre-existing contract or to maintain a pre-existing public ESG rating,

(c) carried on for the purpose of performing such a contract or maintaining such a rating, and

(d) not a regulated activity for which the person has a Part 4A permission.

(2) For the purposes of paragraph (1), the performance of a pre-existing contract includes the performance of an obligation under a contract which is contingent or conditional.

Notification by a person to whom article 12 applies

14.—(1) A person to whom article 12 applies ("A") must notify the FCA that they are carrying on a regulated activity in respect of which the exemption in that article applies, as soon as reasonably practicable after the later of—

(a) the main commencement day, or

(b) where the FCA has given a direction in respect of A under article 11(3), the date specified by the FCA in accordance with article 11(4)(a).

(2) A must, as soon as reasonably practicable, notify the FCA if they cease to carry on a regulated activity referred to in paragraph (1) and no longer intend to carry on that activity.

(3) For the purposes of paragraphs (1) and (2), the notification must—

(a) be made in such manner, and

(b) contain or be accompanied by such information,

as the FCA may require.

Information to be supplied to a party to a contract with a person to whom article 12 applies

15.—(1) A person to whom article 12 applies ("A") must notify the persons specified in paragraph (2) that A is—

(a) to be treated as an exempt person or exempt from section 20 of the Act, and

(**26**) "Exempt person" is defined in section 417(1) of the Act.

(**27**) Section 20 was amended by paragraph 2 of Schedule 9 to the Financial Services Act 2012 (c. 21).

(b) not required to be granted an ESG ratings permission by the FCA in order to carry on the regulated activity specified by article 63U of the Regulated Activities Order.

(2) The persons specified for the purposes of paragraph (1) are—

(a) each party to a pre-existing contract with A that relates to A's provision of an ESG rating, and

(b) any person who uses, has used or may use an ESG rating made available by A.

(3) The notification must be made as soon as reasonably practicable after whichever is the later of—

(a) the main commencement day, or

(b) where the FCA has given a direction in respect of A under article 11(3), the date specified by the FCA in accordance with article 11(4)(a).

Variation and cancellation of an exemption under article 12

16.—(1) Subject to the other provisions of this article, and in respect of a person to whom article 12 applies, the FCA may by notice—

(a) impose on that person such conditions relating to the exemption as the FCA considers appropriate;

(b) cancel the exemption in whole or in part.

(2) The FCA may only exercise the power in paragraph (1) if—

(a) it considers that the exercise of the power is necessary in order to advance one or more of its operational objectives set out in section 1B(3) of the Act, or

(b) following the main commencement day, the person referred to in paragraph (1) has ceased to carry on a regulated activity in respect of which the exemption has effect under article 13.

(3) If the FCA—

(a) proposes to exercise the power in paragraph (1), it must give the person concerned a warning notice;

(b) decides to exercise the power in paragraph (1), it must give the person concerned a decision notice.

(4) A notice given under paragraph (3)(b) must state when the decision takes effect.

(5) Sections 393 (third party rights)(**28**) and 394 (access to FCA or PRA material) of the Act apply in the respect of the giving of notices under this article as they apply to notices mentioned in section 392 of the Act.

(6) A person in respect of whom the power under paragraph (1) is exercised may refer the decision to exercise the power to the Tribunal.

Information gathering

17. The following provisions of the Act apply in respect of a person to whom article 12 applies as if they were an authorised person—

(a) section 165 (regulators' power to require information: authorised persons etc)(**29**);

(**28**) Section 393 was amended by paragraph 32 of the Financial Services Act 2012.
(**29**) Section 165 was amended by Schedule 2 to the Financial Services Act 2010 (c. 28) and Schedule 12 to the Financial Services Act 2012. There are other amendments but none is relevant.

(b) section 166 (reports by skilled persons)(**30**);

(c) section 175 (information and documents: supplemental provisions)(**31**).

Publication of information

18. The FCA may publish information—

(a) concerning persons to whom article 12 applies, in relation to the application of that article to them;

(b) provided under article 14.

Public censure

19.—(1) The FCA may publish a statement to the effect that the FCA considers that a person to whom article 12 applies has failed to comply with—

(a) paragraph (1) or (2) of article 14, or

(b) article 15(1).

(2) If the FCA proposes to publish a statement under paragraph (1), it must give the person mentioned in that paragraph a warning notice.

(3) The warning notice about a proposal to publish a statement must set out the terms of the statement.

(4) If, having considered any representation made in response to a warning notice, the FCA decides to publish a statement under paragraph (1), whether or not in the terms proposed, it must give the person a decision notice.

(5) The decision notice must set out the terms of the statement.

(6) Sections 393 (third party rights) and 394 (access to FCA or PRA material) of the Act apply in the respect of the giving of notices under this article as they apply to notices mentioned in section 392 of the Act.

(7) If the FCA decides to publish a statement under paragraph (1), that person may refer the matter to the Tribunal.

Expiry of saving and transitional provisions

20. This Chapter ceases to have effect on the day one year after the main commencement day.

Part 4

Rules and guidance

ESG ratings related rules and guidance made by the FCA

21. In relation to amendments made by this Order, the requirements of section 138I (consultation by the FCA) of the Act(**32**), in so far as they apply to a proposal by the FCA to make rules and

(**30**) Section 166 was substituted by Schedule 12 to the Financial Services Act 2012. Section 166 was amended by S.I. 2022/466 and S.I. 2025/22. There are other amendments but none is relevant.

(**31**) Section 175 was amended by Schedule 12 to the Financial Services Act 2012 and paragraph 5 of Schedule 1 to the Investigatory Powers (Amendment) Act 2024 (c. 9).

(**32**) Section 138I was substituted by section 24 of the Financial Services Act 2012. Section 138I was amended by sections 28(7), 31(3) and 53(1) of the Financial Services and Markets Act 2023. There are other amendments but none is relevant.

guidance, may be satisfied by things done (wholly or in part) before the date on which this Order comes into force for the purpose of enabling the FCA to make rules and give guidance.

Rules made by the scheme operator relating to ESG ratings

22. In relation to amendments made by this Order, the requirements of—

(a) paragraph 14(4) to (6) of Schedule 17 (the Ombudsman Scheme) to the Act, in so far as they apply to a proposal by the scheme operator to make or amend rules under paragraph 14(1) of Schedule 17 to the Act, and

(b) paragraph 22 of Schedule 17 to the Act, in so far as they apply to a proposal by the scheme operator to make or amend rules under section 227(3)(a) (voluntary jurisdiction) of the Act,

may be satisfied by things done (wholly or in part) before the date on which this Order comes into force for the purpose of enabling the scheme operator to make or amend rules.

Taiwo Owatemi
Stephen Morgan
Two of the Lords Commissioners of His Majesty's Treasury

15th December 2025

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544) ("the Regulated Activities Order") so that the provision of Environmental, Social or Governance ("ESG") ratings becomes a regulated activity within the meaning of the Financial Services and Markets Act 2000 (c. 8).

Part 1 of the Order sets out preliminary matters. It makes provision for the Order to come into force for certain purposes ahead of the date that ESG ratings will be regulated to enable the Financial Conduct Authority (the "FCA") and the Financial Ombudsman Service to make rules and carry out other steps prior to regulation.

Part 2 of the Order amends the Regulated Activities Order. Article 6 inserts a new Chapter 15F, including article 63U to provide that the provision of ESG ratings is a specified activity, unless falling within one of the exclusions at articles 63V to 63Z6. New article 63Z7 includes definitions relating to the specified activity.

Part 3 of the Order contains transitional and savings provisions for those persons that have applied for permission (or variation of an existing permission) under Part 4A of the Act for the regulated activity specified by article 63U of the Regulated Activities Order. The provisions allow those who have applied, as directed by the FCA, in their relevant application period to continue carrying out the regulated activity specified in article 63U after the main commencement day if the FCA has not yet determined their application. There is also provision for those who applied outside their relevant application period, withdrew their application or had their application refused to continue their existing business under the supervision of the FCA. The transitional and savings provisions cease to have effect one year after the main commencement day.

Part 4 of the Order allows the FCA and Financial Ombudsman Service to rely on any steps they take to consult on rules and guidance before the relevant provisions of the Order come into effect for the purposes of enabling them to make rules or give guidance.

A de minimis assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector is available from His Majesty's Treasury, 1 Horse Guards Road, London SW1A 2HQ or on www.gov.uk and is published alongside the Order on www.legislation.gov.uk.